Austria	[illegible]	Indonesia	Rp3100	Pakistan	Rs25
Bahrain	Din0.900	Iran	[illegible]	Philippines	Pso40
Belgium	BFr60	Israel	Shk4.50	Poland	Zl 15,000
Cyprus	C£1.00	Italy	L2200	Portugal	Esc175
Czech	Kcs[illegible]	Jordan	JD1.20	Qatar	QR10.00
Denmark	DKr13	Korea	Won 2600	S.Arabia	SR9.00
Egypt	E£3.50	Kuwait	Fils.500	Singapore	S$4.10
Finland	Fmk8.50	Lebanon	L£1,600	Spain	Pta175
France	FFr8.00	Lux	LFr60	Sweden	SKr13
Germany	DM3.00	Morocco	MDh10	Switz	SFr2.70
Greece	Dr200	Neth.	Fl 3.50	Thailand	Bht50
Hungary	Ft145	Nigeria	Naira15	Tunisia	Din0.900
Iceland	IKr160	Norway	NKr13.00	Turkey	L5000
India	Rs20	Oman	OR1.25	UAE	Dh8.00

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,565

Wednesday September 25 1991

D 8523A

MAASTRICHT

Summit deadline unlikely to be met

Page 2

British hostage Jack Mann freed in Beirut

The British hostage Jack Mann, aged 77, was reported to have been freed in Beirut last night. The former World War II Spitfire pilot, oldest of the western hostages, was handed over after 865 days in captivity by the pro-Iranian Revolutionary Justice Organisation, according to the official Iranian News Agency in Beirut. Syrian officials said later that Mr Mann was on his way to Damascus where he would be handed over to the British ambassador to Syria. A Shia Moslem leader was also quoted as saying that an American captive could also be freed "soon". Page 16

Salomon plans 'substantial' provisions to cover fines

SALOMON BROTHERS, the scandal-hit Wall Street securities house, will take a "substantial" charge against third-quarter earnings to cover fines and costs it expects to incur because of its illegal activities in US government bond markets, writes Patrick Harverson in New York.

Although Salomon did not reveal the size of the planned charge, Wall Street analysts estimated that it could run into hundreds of millions of dollars.

The Securities and Exchange Commission, one of the many regulatory agencies investigating Salomon's illegal bids in Treasury auctions, is expected to impose heavy fines on the firm for its misconduct, while more than 30 lawsuits have been filed against Salomon by shareholders and rival securities firms seeking damages for losses allegedly incurred because of Salomon's manipulation of the Treasury markets.

The decision over how much Salomon should reserve for future fines and costs will be difficult. A big charge would reveal that Salomon fears heavy fines from government agencies and large judgments or settlements against it in the US courts. This could undermine confidence in the company further and inflict fresh damage on its share price, which yesterday fell another $\$\frac{1}{2}$ to $\$21\frac{1}{4}$.

Salomon, however, may decide to take a small charge to cover the initial costs related to the scandal, with the intention of adding to the reserve of funds later.

Whatever the size, the charge will take a large bite out of its third-quarter results, which are due out next month. Salomon first admitted to rigging bond auctions in August, and the effect on its operations were felt almost immediately as customers suspended dealings with the firm and the Treasury banned it from bidding for clients in government auctions.

Although Salomon earned $451m in the first half of 1991, full-year profits could be severely hit by the scandal and are likely to be well down on those reported by its biggest rivals, who have been enjoying one of the best years on record.

The scandal has already forced Salomon to shrink its balance sheet. The firm said yesterday that the value of its assets had dropped from this summer's record high of about $150bn to 1990 levels. At the end of that year, the firm's balance sheet was worth about $110bn.

Salomon has been forced to sell off billions of dollars of its assets (mostly held in the form of fixed-income securities) to reduce borrowing levels because banks have cut their lending to the firm and investors have been reluctant to let Salomon refinance its commercial paper debt.

In spite of the difficulties Salomon faces, its financial position remains secure for the moment, say analysts. Mr John Keefe of Lipper Analytical in New York, said: "This is still a very big, strong company, and it faces a temporary liquidity squeeze that will last until the legal issues are resolved and the lenders have decided how to approach the "new" Salomon."

Japanese brokers admit Y44bn more in pay-offs, Page 16

World News

Tbilisi placed under state of emergency

Georgia's president Zviad Gamsakhurdia announced a state of emergency in the capital Tbilisi to take effect today. He said parliament and president were threatened by a "civilian and military coup" directed by Moscow. Page 16

Ceasefire broken

The fragile ceasefire between Croatia and Yugoslavia's federal army was breached when army jets strafed the eastern Croatian town of Vinkovci. Page 16

Bildt given mandate

Sweden's next government is likely to be a minority one consisting of four non-socialist parties. Mr Carl Bildt, leader of the Moderates, was given a mandate by the speaker of parliament to form a cabinet. Page 2

Bonn migrant debate

An emergency debate has been called in the Bundestag today after several days of violence against foreigners. Page 2

Sir Joh charges dropped

A court in Brisbane dropped two charges, of official corruption and perjury, against former Queensland state premier Sir Joh Bjelke-Petersen. He still faces a charge of lying to an inquiry.

Ex-spymaster held

Former East German spymaster Markus Wolf returned to Germany from Austria and was taken into investigative custody. He will be questioned about three decades of spying. Picture, page 2

Mulroney blueprint

A blueprint of constitutional reforms was unveiled by Canadian prime minister Brian Mulroney. It would dismantle internal trade barriers in exchange for giving the provinces new powers. Page 6

Emperor makes history

Emperor Akihito and Empress Michiko of Japan leave tomorrow on official visits to Thailand, Malaysia and Indonesia, the first by a reigning Japanese emperor to any Asian country.

Chile murder trial

General Manuel Contreras, director of Chile's secret police during the harshest years of the 1973-1990 military government, is to face trial for murder. Page 6

Havel seeks referendum

President Vaclav Havel of Czechoslovakia urged a referendum on the country's future structure to settle growing antagonism between Czechs and Slovaks. Page 2

One-party rule ends

Sierra Leone's president Joseph Momoh signed a new multi-party constitution ratifying a national vote to end 13 years of one-party rule.

Romanian coal strike

Tens of thousands of miners in Romania's largest coalfield went on strike to demand better conditions and wages.

Business Summary

Ban imposed on Japan's 'Big Four'

JAPAN's Big Four securities houses – Nomura, Daiwa, Nikko and Yamaichi – were yesterday banned from underwriting Japanese government bonds for a month as punishment for compensating clients for trading losses in the year to March 1991.

The penalty was announced as the Big Four revealed another Y43.5bn ($322m) in previously undisclosed compensation to favoured customers. Page 16; Economy hits record streak, Page 4

OPEC ministers meeting in Geneva were close to agreeing to boost fourth quarter production to between 23.65m and 24m barrels of oil a day. Commodities, Page 32

MONTEDISON, Italian chemicals group, is selling its 50 per cent stake in the Ja/Mont tissue paper joint venture for $327m. The buyer is Cragnotti & Partners Capital Investments, investment bank created by a former Montedison executive. Page 20

ARMCO, big US steelmaker, is buying special steels group Cyclops Industries for $156m – reviving a deal which collapsed in February. Page 22

JAPANESE companies have repeatedly withheld or delayed selling new technology to US concerns, says a US General Accounting Office report, putting US companies at a disadvantage in world markets.

BELL ATLANTIC, one of seven "Baby Bell" US regional telephone companies, launched a $1.65bn agreed all-share bid for Metro Mobile CTS, independent operator of cellular telephone networks in the US. Page 17

MGM: The battle for the Hollywood film studio took a twist when Italian financier Giancarlo Parretti, who controlled MGM, launched a courtroom attack on French bank Credit Lyonnais, his biggest backer. Page 22

MICHELIN of France, world's biggest tyremaker, nearly tripled its net group loss for the first half to FFr1.06bn ($170m) but said its recovery was on target. Page 17; Lex, Page 16; Pirelli results, Page 20

TARMAC, UK's biggest building materials and construction group, suffered an 81 per cent drop in interim pre-tax profits to £18.2m. Page 20; Background Page 25; Lex, Page 16

BROKEN Hill Proprietary of Australia reported net profits of A$1.4bn (US$1.12bn) for the year to May 31, after abnormal gains of A$222m. Chairman Sir Arvi Parbo warned that the current year's results were likely to be lower. Page 22

POLYGRAM, music company 80 per cent owned by Philips of the Netherlands, is spending $200m on expanding its film business. Page 17

ROLLS-ROYCE, UK luxury carmaker and a subsidiary of Vickers, is cutting production for two weeks as sales continue to fall.

Gulf tension rises as Iraq detains second UN team

By Lionel Barber and Michael Littlejohns at the UN and Bronwen Maddox in London

IRAQ raised the stakes last night in its confrontation with the United Nations Security Council, detaining a UN nuclear inspection group in Baghdad for the second time in two days and accusing its leader of spying for the US Central Intelligence Agency.

The council responded by urging Iraq to free the inspectors and to accept unrestricted UN helicopter inspection flights, as a UN official said material obtained suggested an Iraqi nuclear "master plan".

Mr Jean-Bernard Merimée, the council's president, said he had told Mr Abdul-Amir al-Anbari, the Iraqi ambassador, that "the council was going to meet at five (2100 GMT) and it was very much in the interest of Iraq to have at that time a letter" confirming Iraq would allow UN helicopters to make overflights.

He declined to predict what action the UN might take if Iraq refused to comply.

US president George Bush warned Mr Saddam Hussein, the Iraqi president "not to miscalculate" by defying the UN resolutions requiring the destruction of his country's nuclear and unconventional weapons programmes.

Iraq, however, remained defiant. Mr Tariq Aziz, the Iraqi deputy prime minister, accused Mr David Kay, head of the UN inspection team being held last night by 60 Iraqi soldiers after finding documents about Iraq's nuclear bomb programme, of spying for the US and lying.

"Our information is that this man is a CIA officer," Mr Aziz said. "We did not keep him against his will. We told him simply that you have no right to take these documents and no right to photograph them." The US and the International Atomic Energy Agency rejected the Iraqi accusations.

The IAEA team attempted to take photocopies of personnel files at the Iraqi Atomic Energy headquarters in Baghdad. Obstructed from leaving the premises by Iraqi military, they "have bedded down in their bus inside the compound – they're not letting the documents go," Mr David Kydd of the IAEA said.

Iraqi claims that documents snatched from the inspectors on Monday had been returned were incorrect, he said.

"An Iraqi official showed up at the hotel bedroom of the chief inspector at 1.30am on Tuesday, but he handed over only seven cardboard boxes, and some of the the most sensitive documents and microfilms were missing".

This team, the IAEA's sixth, was sent last week to investigate reports provided by intelligence agencies to the United Nations Special Commission in New York. The intelligence is believed to have led the team directly to the buildings in Baghdad.

At the United Nations, Mr Rolf Ekeus, chief of the UN inspection operation, said he was in constant contact by satellite with the detained UN team which had been ordered not to give up the tapes and films they had taken of the Iraqi documents.

He said that putting these data with material obtained at another Baghdad site UN inspectors entered on Monday, a picture was emerging of an Iraqi nuclear "master plan".

Mr Bush said he was not drawing a deadline for future military action against Iraq, amid signs that US allies would like more time to pressure Iraq to comply with UN demands.

Mr Douglas Hurd, British foreign secretary, said UN inspectors inside Iraq were "getting into the guts" of Mr Saddam's military machine as they steadily uncovered evidence of his programme to build a nuclear bomb.

Mr Hurd said the UN inspectors should be relentless as they carry out their search-and-destroy missions against Iraq's nuclear, chemical and biological weapons.

However, Mr Abdul Amir al-Anbari, the Iraqi delegate, insisted that the material comprised only personnel files of scientists and others. He said the UN had no right to it and Iraq would not allow the inspectors to keep it.

The latest showdown followed a protracted stand-off between the UN and Iraq over Baghdad's refusal to allow UN helicopters to carry out aerial inspections and photography of suspected weapons sites.

Iraq's refusal prompted the US to dust off its plan to dispatch air squadrons to support UN helicopters to Iraq.

Picture Ashley Ashwood

French and UK premiers Edith Cresson and John Major, who met in London yesterday

Belgians to probe Astra/PRB deal

BELGIAN POLICE will send a team of detectives to the UK in the next few weeks to interview former executives at Astra, the British munitions company, about a potential fraud during its acquisition two years ago of PRB, the Belgian arms company, Paul Abrahams writes.

They also intend to ask them about exports by PRB of propellants for the Iraqi supergun.

Meanwhile, former PRB employees are considering legal action against Gechem, the chemicals company which sold PRB to Astra. Gechem is 60 per cent owned by Société Générale de Belgique, Belgium's largest company.

The employees claim Gechem continued to control PRB even after Astra had bought the company and should therefore provide redundancy payments to the 1,400 PRB employees who lost their jobs during 1990 in one of Belgium's largest corporate redundancies.

Astra nearly collapsed after crucial financial details about PRB were withheld during takeover negotiations with Gechem. The British company expected PRB to make a profit in 1989 of BFr150m ($4.2m) but in fact it incurred a BFr720m loss which brought Astra to its knees.

Documents in the hands of the Financial Times show that Mr Jean Duronsoy, Gechem's chief executive, was aware that PRB would undershoot its budget six months before it was sold to Astra. Mr Duronsoy resigned as chief executive on Monday. Belgian police have asked the Financial Times to supply documents detailing the potential fraud.

Société Générale de Belgique said last night that Gechem was helping the DTI with its inquiries. It refused to comment about allegations that Gechem misled Astra during negotiations for the sale of PRB.

Background, Page 18

French soldier among 30 killed in Kinshasa riots

By David Gardner in Brussels and Our Foreign Staff

A FRENCH soldier was among 30 people reported killed yesterday in Zaire as mutinous members of President Mobutu Sese Seko's armed forces rampaged in the capital Kinshasa.

France and Belgium, the former colonial power, sent a total of 800 troops to evacuate nationals threatened by the rioting and looting. Some 10,000 Belgians and 6,000 French citizens are resident in the central African country. A Belgian communiqué said the mission was also being co-ordinated with the US.

Hundreds of foreign nationals fled and more than 1,000 people took refuge in the Inter-continental Hotel in Kinshasa. The city's commercial centre was stripped bare after two days of mob rule. Civilians, protesting at food shortages and hyperinflation joined soldiers angered by a missed pay rise. Private homes, shops and a hotel were looted.

The national news agency Azap said anti-government protesters had ransacked the headquarters of Mr Mobutu's ruling Popular Movement for the Revolution (MPR) party.

In Brussels, the defence ministry said the "purely humanitarian" operation was approved by Mr Mobutu's tottering government and that it was designed to favour neither the government nor the opposition.

Mr Omer N'Kamba, a Brussels spokesman for the Zairean opposition Union for Democracy and Social Progress, told the Belgian news agency Belga, however, that the presidential guard was under orders to sack foreign property in Kinshasa and other cities.

Mr N'Kamba said Mr Mobutu "wants in this way to get the same result as in 1978", when Belgian and French troops flew in to rescue their citizens from a revolt in the province of Shaba, and indirectly bolstered Mr Mobutu's position.

Viscount Davignon, president of Société Générale de Belgique – Belgium's largest holding company, with extensive interests in Zaire – yesterday said that events in Kinshasa signalled the end of the Mobutu regime. La Générale traditionally buys copper for its non-ferrous metals business from Zaire.

Kinshasa officials said Mr Mobutu, who has ruled for 26 years, would make a televised speech but did not indicate the timing or its content.

Belgium's relations with its former colony over the past 18 months have deteriorated sharply. In May, a widely leaked cable from the Belgian ambassador said "it is impossible to continue with Mobutu."

Mr Mobuto has presided over severe economic deterioration and has refused to loosen his one-man rule. In recent months he sanctioned a national conference on a multi-party system, but this was started only in August after repeated government postponements and obstruction.

Discontent flares, Page 4

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Irish public treated to feast of financial controversies

Charles Haughey, the Irish prime minister, may be fighting for his political survival after a spate of controversies affecting many of his most public supporters
Page 2

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MARKETS

STERLING
New York lunchtime:
$1.7335
London:
$1.745 (1.744)
DM2.9125 (2.915)
FFr9.9125 (9.9375)
SFr2.5325 (2.545)
Y231.75 (232.00)
£ index 91.0 (91.1)

GOLD
New York: Comex Dec
$357.2 (354.3)
London:
$351.85 (349.55)

N SEA OIL (Argus)
Brent Nov
$20.725 (20.65)

Chief price changes yesterday: Page 17

DOLLAR
New York lunchtime:
DM1.6815
FFr5.729
SFr1.4645
Y133.2
London:
DM1.6685 (1.68)
FFr5.68 (5.6975)
SFr1.451 (1.459)
Y132.85 (133.0)
$ index 64.5 (same)
Tokyo close: Y132.97

US lunchtime rates
Fed Funds: $5\frac{1}{4}$%
3-mo Treasury Bills: 5.315%
Long Bond: $102\frac{11}{32}$
yield: 7.883%

STOCK INDICES
FT-SE 100:
2,576.6 (−2.9)
FT Ordinary:
2,009.4 (−7.1)
FT-A All-Share:
1,249.2 (−0.1%)
New York lunchtime:
DJ Ind. Av.
3,010.96 (+0.45)
S&P Comp
385.44 (−0.48)
Tokyo: Nikkei
23,333.44 (+140.96)

LONDON MONEY
3-month interbank:
$10\frac{5}{32}$% ($10\frac{5}{16}$)
Liffe long gilt future:
Dec $96\frac{1}{4}$ (Dec $96\frac{5}{32}$)

Havel urges referendum on Slovak demands

By Ariane Genillard in Prague

PRESIDENT Vaclav Havel of Czechoslovakia yesterday urged federal deputies to call a referendum to decide on the country's future structure in an attempt to settle growing antagonism between Czechs and Slovaks.

"Since the revolution no situation has been as serious as this one," President Havel told deputies on the first day of the parliament's autumn session.

Slovak, Czech and federal authorities have been trying for the past year to agree on future relations between the Slovak and Czech republics.

The federal parliament decided in July to allow the matter to be put to a vote in both republics.

On Monday, the Slovak National Party, which holds 14 per cent of the Slovak parliament, asked local deputies to declare the sovereignty of Slovakia. It met, however, the resistance of the ruling Christian Democratic Party headed by Slovak prime minister Jan Carnorgursky.

A recent poll, conducted by the president's office, shows that 82 per cent and 69 per cent of Czechs and Slovaks respectively are in favour of maintaining the current federation. The poll also shows, however, discontent among Slovaks with the economic reforms undertaken by Prague. Over 60 per cent of them said they wished the reforms to be changed or stopped altogether.

French trade deficit eases

France's foreign trade deficit eased back slightly in August to FFr3.795bn (£370m) compared with FFr3.959bn in July, but the trend remained in line with the government's earlier forecasts, the finance ministry said, Ian Davidson reports from Paris. For the first eight months of the year the cumulative deficit has risen to FFr32bn; this is significantly more than the FFr26bn in the same period last year, but consistent with the government forecast of a total 1991 deficit of FFr45bn.

Negotiators face uphill task to meet deadline of Maastricht summit

Accord unlikely on Dutch political union plan

By David Buchan in Brussels

BACKERS and critics of the Dutch presidency's final draft treaty on political union agree that the odds on the 12 governments reaching agreement in time for the Maastricht summit on December 9-10 have now lengthened.

The Dutch draft proposes to give the European Parliament more legislative power and bring much sensitive external and internal security policy making within the Community remit.

The critics, chiefly Britain, contend that there is serious doubt that it can produce an accord at Maastricht in its present form. The draft "is not a *fait acompli*," Mr John Major, the British prime minister said yesterday.

Supporters of the new text – pre-eminently Germany – dismiss British doubts as faint-hearted nonsense, and draw everyone's attention to Chancellor Helmut Kohl's oft-stated position that he will agree to only monetary union if it is accompanied by a political union deal.

But even they admit that the Twelve negotiators will now have their work cut out to meet the Maastricht deadline, so crucial are the changes proposed by the Dutch, with half of the six-month presidency now gone. Even federalist Italy advised the Dutch not to overturn with what had been discussed all summer.

● Structure. It is here that the Dutch have most backtracked from the treaty draft they inherited from the Luxembourg presidency, which went some considerable way to placating the UK, France, Denmark and Ireland by keeping foreign and internal security policies outside the standard Community machinery that involves the Brussels Commission and the Strasbourg parliament.

Instead, the Dutch have lumped these touchy areas of policy-making into the main treaty, while making clear that national governments retain certain special rights.

● Foreign policy. To the outsider, much of the argument raging over the future structure of the EC constitution is pure semantics. Yet, the British point to the Dutch foreign policy provisions, which do not rule out taking decisions by majority vote.

The volatile world of international relations does not admit neat categorisation of "policy" and "implementing" decisions, they stress. Besides, they fear being pushed down a future slippery slope by the Dutch plan for a 1996 constitutional review of the provisions governing foreign/security/defence policies, as well as voting rights for MEPs.

● Defence. The Dutch, not much less Atlanticist than the UK, have proposed that the EC's "common security policy will be complementary...to that of Nato and the Western European Union, which will continue to contribute substantially to security and stability". But Britain, neutral Ireland and Nato-minded Portugal will in particular dislike the Dutch call for a common defence policy in 1996. The planned Nato summit in November will powerfully determine the outcome of the Twelve's defence debate.

● Internal policy. The Dutch have attempted a compromise by giving the Commission a role in immigration and asylum, but keeping police/judicial co-operation as something the member states should decide among themselves.

But the possibility that the European Court of Justice might be brought in to settle disputes in this area is rightly feared by the UK, which will probably soon face a legal challenge from its partners and Brussels for failing to comply with the free movement of people provisions of the 1992 programme.

● Industrial policy. This is one bright spot for the UK. As might be expected from another free market country, the Netherlands has pruned the *dirigisme* out of the French-inspired industrial policy provisions in the Luxembourg text. What is left is a call for broad horizontal policies, which should not conflict with EC competition rules.

● The European Parliament. The 518 directly-elected MEPs would get, under the Dutch plan, the right a) to reject, by an absolute majority (260 votes), legislation emerging from a second reading by the Council of Ministers, and b) the power to ensure that measures on third world aid, hi-tech R & D and environmental programmes could not pass without their positive approval. This is known as "co-decision".

Since the European Parliament has only once used its more limited power to kill a bill (on protecting workers from benzene exposure), it has always been keener on co-decision.

Violence against foreigners in Germany spurs angry debate

By Christopher Parkes in Bonn

THE fighting over the rights of foreigners in Germany will move from the streets of the former DDR to the Bundestag in Bonn today. An emergency debate has been called following several days of violence, the evacuation of 230 Romanians and Vietnamese from a besieged apartment block in east Germany, and the publication of official figures showing a sharp increase in attacks on immigrants.

The likely tone was set yesterday by Mr Wolfgang Bötsch, a prominent member of the ruling coalition, who denounced as "shameless" a charge from Mr Hans-Jochen Vogel, opposition SPD chairman, that the government's stance was "over-emotional".

Tempers were fired by news police had secretly evacuated 230 foreigners from Hoyerswerda in northern Saxony, taking them out of range of mobs of skinheads and extreme rightwingers who had been attacking them and their homes for several days.

The refugees were driven on Tuesday night to fresh accommodation elsewhere in the state, rousing concern neo-nazis might be encouraged to step up the violence.

The evacuation coincided with the publication of official figures which showed right-wing arson attacks against the homes of foreign workers and asylum seekers increased almost five-fold in the first eight months of 1991 to 58.

"Serious" physical attacks on foreigners rose from 128 in 1990 to 341 by the end of August this year.

The Bundestag debate will be followed on Friday by cross-party talks on the asylum issue in the privacy of Chancellor Helmut Kohl's office.

With more than 200,000 asylum seekers expected in Germany this year, many members of the ruling CDU want to change the country's liberal constitution to deter economic refugees from asking for asylum on the same terms as political fugitives. But Chancellor Kohl has been unable to find a consensus.

The CDU's coalition partners in the FDP want to restrict changes to "practical measures" to speed up processing of applications.The opposition SPD has held out strongly against any changes in the law. Mr Vogel said yesterday it was time to end the "brawling" in the government and return to a realistic discussion.

Four parties set to form a government in Sweden

By John Burton in Stockholm

SWEDEN'S next government is likely to be a minority one consisting of four non-socialist parties. Mr Carl Bildt, the leader of the Moderates, was given a mandate yesterday by the speaker of the parliament to form a cabinet.

The new government would include the Moderates, Liberals, Centre Party and Christian Democrats, which would have combined total of 170 seats in the 349-member Riksdag.

The non-socialist parties have been negotiating over a government since the general election on September 15, which handed the ruling Social Democrats their worst electoral defeat since 1928.

There had been doubts whether the rural-based Centre Party would join the government since it had expressed reservations about EC membership and plans to trim public spending.

But Mr Bildt said yesterday there was broad agreement among the non-socialist parties over the EC, the public sector and economic policy. The new government depends in part on support from the right-wing party New Democracy.

Swiss to end investment fund levy

THE Swiss government gave broad approval to a planned reform of its stamp tax on securities transactions that would include abolishing the levy on Swiss investment funds, Reuter reports from Berne.

The reform aims to counter worries by banks that the tax is making Switzerland uncompetitive as a financial centre and driving business abroad.

A first tilt at a stamp tax revision failed to get past a referendum in June when it was coupled with the introduction of an unpopular value-added tax.

A fast-track parliamentary bill has now revived and augmented the June proposals. These include abolishing 0.3 per cent transaction duties on professional traders' holdings, Euromarket issues and transactions made by Swiss institutions abroad, and cutting duties on cash bonds.

A statement from the Finance Ministry said the government approved of a parliamentary committee's plan to scrap the tax on investment funds as well. But it rejected a committee proposal to abolish stamp duty levied when companies amend their structure or change their legal domicile.

The government also rejected the committee's view that a new levy of 2.5 per cent on life insurance premiums, planned as a way of clawing back some lost revenue, should be dropped. Instead, the ministers went further, proposing the introduction of stamp duty on certain property insurances as well.

Mr Markus Wolf, former head of East German espionage, in Karlsrühe after his arrest yesterday while entering the country from Austria. Mr Wolf, 68, has said he wants to live in Germany again.

Commission sets sights on power monopolies

By Andrew Hill in Brussels

THE European Commission plans to break up electricity and gas production monopolies as part of a wide-ranging effort to open up a genuine internal energy market in the Community.

The controversial proposals, which have not yet been approved by the full Commission, go further than initial plans simply to allow consumers to buy electricity and gas from suppliers in other EC countries – the system known as third party access.

Mr Antonio Cardoso e Cunha, the EC energy commissioner, told a conference in Berlin yesterday that the energy and competition directorates were preparing a series of measures which would also:

● challenge existing monopolies in the construction of transmission lines, and in the export, import and production of energy;

● unbundle the administration of production, transmission and distribution activities, to allow transparent competition and prevent cross-subsidisation of the different areas.

Commissioners' top advisers will discuss the long-awaited proposals for the first time at the end of this week.

Mr Cardoso e Cunha and Sir Leon Brittan, competition commissioner, want to use a two-pronged approach to open the gas and electricity markets, and each industry will be the subject of two directives.

□ Broadly, legislation under Article 90 of the Treaty of Rome – which allows the Commission to push through legislation without the formal approval of member states – will be used to break down existing restrictions.

□ Article 100A directives – which need be approved only by a qualified majority of member states – will be used to establish the ground rules for a new, liberalised energy market.

Third party access proposals have already been attacked by the EC gas and electricity industry, although Britain's electricity industry, in particular, has tended to back the liberalisation programme, because a measure of third-party access has already been introduced into the UK system.

● The Soviet Union, backed by central and east European countries, yesterday indicated that the proposed European energy charter would have to allow less developed economies time to put its demands into practice, Andrew Hill writes.

Delegates from the 35 members of the energy charter conference were meeting in Brussels to discuss the text of the charter, which is partly aimed at helping the Soviet Union exploit its natural resources.

Countries of the old eastern bloc aired three main concerns at the meeting: the need for a transition period before implementation of the charter; the problem of financing improvements in the energy industry; and the importance of encouraging equal access to markets across Europe.

Correction
ETA release

Owing to a computer malfunction, later editions of the FT yesterday carried an old story about the release of a Spanish businessman by the Basque separatist movement ETA in 1988. We apologise for this error.

The Financial Times (Europe) Ltd
Published by The Financial Times (Europe) Ltd., Frankfurt Branch, (Guiollettstrasse 54, 6000 Frankfurt-am-Main 1: Telephone 069-75980; Fax 069-722677; Telex 416193 represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Druck Vertrieb und Marketing GmbH, Frankfurt. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1991.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

Irish enjoy a feast of controversy

Tim Coone finds Charles Haughey struggling to restore confidence

THE Irish love a scandal. When the wealthy and powerful are toppled in a country where almost 20 per cent of the workforce is unemployed, there is a sense of moral retribution on the part of the little man.

But even the little men and women have been surprised by the veritable feast of controversies that appears to be turning into a fight for the political survival of Mr Charles Haughey, the prime minister.

In a space of two weeks, some of the best and brightest of Ireland's corporate life, most of them publicly identified with the Fianna Fail government, have become the focus of a series of public inquiries into questionable business practices involving property and share deals in public sector companies.

Charles Haughey: fighting for survival

Mr Haughey said the controversies had broken "like a tidal wave" over his government. They undoubtedly prompted his announcement at the weekend, that the time had come for the creation of a serious fraud office along British lines.

Yesterday Mr Michael Smurfitt, Ireland's leading industrialist and chairman of Telecom Eireann, the state-run telecommunications company, resigned after becoming embroiled in a I£10m (£9.1m) property row over a site for the new Telecom headquarters.

He has admitted that he had an interest in a company, United Property Holdings (UPH) that owned the site six months before it was sold to Telecom. At the time of the sale, the site was owned by a third company whose spokesman has said it had no dealings with Mr Smurfitt of any sort. There was a reported profit of more than I£3m on the sale.

Earlier this month, the recently-privatised Greencore sugar and foods group, became the focus of five separate inquiries into share dealings by senior executives of the company and which has already cost the job of Mr Chris Comerford, the company's chief executive, who was forced to resign.

Both Mr Comerford and Mr Smurfitt have been credited with turning round these previously inefficient, loss-making state enterprises into profitable concerns.

Mr Haughey said at the weekend it would be "prudent" for Mr Smurfitt to step aside as chairman of Telecom until an inquiry into the Telecom affair had reached its conclusions in two weeks. Mr Haughey also suggested that Mr Seamus Pairceir, chairman of the Custom House Docks Authority, and who is also chairman of UPH, should temporarily step aside from the docks authority. Mr Pairceir resigned immediately in anger at the way Mr Haughey questioned his role. His resignation is seen as a great loss for Ireland's new International Financial Services Centre, for which Mr Pairceir was responsible as chairman of the docks authority.

Also in the spotlight is National City Brokers, a local stockbroking firm that has become one of the leading firms in Dublin in the past 10 years, and which had recently begun a study into the Telecom privatisation. NCB advised Greencore during its privatisation.

Mr Haughey has asked NCB to withdraw from the Telecom study which it has agreed to do "until the air is cleared and the inquiry completed". The chairman of NCB is Mr Desmond Dermott, a personal friend of Mr Haughey who first mooted the idea of creating the International Financial Services Centre.

Adding to Mr Haughey's problems are increasingly severe strains within the economy and especially government finances. Mr Haughey admitted at the weekend that "1992 is going to be very difficult" and that the cash was not to hand to meet the next round of promised public sector pay increases due early next year. Failure to meet those could cause the collapse of the Programme for Economic and Social Progress and the industrial peace pact with the trade unions.

By launching the public inquiries into Greencore and Telecom, and announcing the formation of a Serious Fraud Office, Mr Haughey clearly hopes to deflect criticism from the government itself and to restore confidence in his administration.

But as Mr Proinsias de Rossa, the leader of the Workers' Party said yesterday "There is the saying about smoke and fire, well there's so much smoke about right now, we can't even see where we are going."

EUROPEAN NEWS

Azerbaijan and Armenia agree to talk peace

By Mark Nicholson in Moscow

RUSSIAN president Boris Yeltsin yesterday claimed a historic breakthrough in persuading Armenia and Azerbaijan to embrace peace talks over the disputed territory of Nagorno-Karabakh.

But the agreement, reached late on Monday night, faces a severe test as violence continues to simmer across the Transcaucasus and elsewhere in the southern Soviet republics.

Details emerged yesterday of clashes in which six Armenians were said to have been killed by Azerbaijani militia units, even as Mr Yeltsin brokered the peace talks in the Russian spa town of Zheleznovodsk. Artillery and small arms fire was reported in the region on both Monday and yesterday.

In a joint communiqué issued after 13 hours of talks in Zheleznovodsk, Mr Levon Ter-Petrosian, president of Armenia, and Mr Ayaz Mutilabov, his Azerbaijani counterpart, agreed to begin immediate talks towards settling their bitter dispute over the mainly Armenian-populated enclave within Azerbaijan. The dispute has cost more than 800 lives in the past two years.

They agreed to implement a ceasefire, remove all armed militia from the region by January, resettle the thousands of refugees displaced by the conflict, and try to restore normal transport and communication links between the two republics.

"This document is signed, it's a historic act and a historic document," said Mr Yeltsin. "It's a document based on compromise but it gives some possibility for progress to put an end to the bloodshed."

Although it falls far short of a peace treaty between the two republics, the agreement is a sweet diplomatic success for Mr Yeltsin in an area where the Kremlin had, in four years of trying, made no progress.

The talks were co-sponsored by Mr Nursultan Nazarbayev, president of Kazakhstan, but Mr Yeltsin's determination to broker the talks – despite a reported mild heart complaint – proved essential to the agreement.

Yeltsin: 'historic' breakthrough in sight

His success attests to Russia's pivotal role within the looser post-coup union of Soviet states, and to the the fact that – at least in the Transcaucasus – Mr Yeltsin's authority is viewed with less suspicion than the perceived "divide and rule" tactics of the old Kremlin.

● Up to 10,000 people gathered behind barricades in Dushanbe, capital of Tajikistan, to call for the removal of Mr Rakhman Nabiyev, a Brezhnev-era Communist installed as president by parliament on Monday.

Interfax reported police closed off all roads into the city after reports that opposition groups, rallying under both democratic and Islamic banners, were busing supporters in from the countryside. The protesters were demonstrating against the hardline Communist parliament's move to overthrow a ban on the party decreed by Mr Kadreddin Aslonov, who was also ousted as president.

However, General Vladimir Lobov, Soviet chief of staff, said Soviet troops would not be moved into the republic to help police the state of emergency.

German troops 'can keep peace'

By Christopher Parkes in Bonn

GERMAN troops may be deployed in peace-keeping missions outside Nato territory without any need for changes to the constitution, according to a government-appointed commission of experts.

While the main role of the forces remained defence, overseas action required only the agreement of a majority in the Bundestag, Prof Hans-Adolf Jacobsen, commission chairman, said in Bonn yesterday.

The findings seem to resolve a long and laboured argument in Germany over the role of the country's largely conscripted troops in international military ventures, which earlier this year limited its activities in the Gulf war.

The issue arose most recently when Germany pressed for an international force to be sent into Yugoslavia, while apparently being unable to take part itself.

The commission, set up a year ago to assess the future of the armed forces, also said the military should be prepared and trained for peace-keeping in Europe or in the framework of the United Nations.

Mr Gerhard Stoltenberg, defence minister, described the findings as "meaningful".

Who will implement CFE arms treaty?

The Soviet Union's disintegration is creating a legal morass, reports **David White**

EUROPE'S most ambitious arms control treaty risks becoming unworkable because of the Soviet Union's disintegration.

The 22 countries which signed the Conventional Forces in Europe (CFE) treaty last November are pressing on towards ratification in the hope of bringing it into effect next year. But nobody quite knows where CFE is heading.

The treaty to reduce holdings of heavy army equipment and aircraft took 20 months of intensive negotiation. After signing, it ran into trouble over the way Moscow interpreted its obligations. Now, amid uncertainty over the extent to which the Soviet Union will maintain centralised military forces, it risks running into a legal morass.

It is not the first time the treaty has appeared to be overtaken by events. While it was being negotiated in Vienna between the members of the two military alliances, the Warsaw Pact started cracking up, Germany was united, and most countries laid plans for defence cuts greater than those imposed by the CFE limits.

Arms reductions would be expected to go ahead even if the treaty were never enforced. But there would then be no compulsory destruction of equipment, fewer opportunities for countries to inspect each other's forces, and no barrier to re-armament.

Governments seem united in seeking ratification as soon as possible. A consensus is building up about ways of coping with the most immediate complication – the independence of the three Baltic republics. Suggestions that treaty changes might be required are firmly resisted in Vienna.

"There's no enthusiasm anywhere to renegotiate this treaty," commented one western official.

But how far will the Soviet authorities be competent to enforce it? Arms subject to reduction are located in 11 of the old Soviet Union's 15 republics. The Atlantic-to-the-Urals treaty area includes the now sovereign Baltic states, Ukraine, Belorussia, Georgia, Moldova, Armenia, Azerbaijan, a bit of Kazakhstan and part of the Russian Federation.

The map is made more complex by different treaty zones. Part of the area comes within an "extended central zone" where there are narrower limits on equipment totals. Ukraine falls partly in this zone and partly in a "flank" zone with its own limits.

A legal contradiction surrounds the Baltics. Since they are recognised independent states and are not signatories, the treaty clearly does not apply to them. On the other hand, the treaty was agreed on the basis that Moscow's authority extended to their territory.

SOVIET EQUIPMENT CUTS UNDER THE CFE TREATY*

	Feb 1991 declared holdings	1995 CFE ceiling	Reduction required
Tanks	20,725	13,150	7,575
Armoured combat vehicles	29,890	20,000	9,890
Artillery pieces	13,938	13,175	763
Combat aircraft	6,611	5,150	1,461
Attack helicopters	1,480	1,500	–

* Area west of Ural Mountains and Caspian Sea

Eastern European and western officials say that the equipment of Soviet troops in Lithuania, Latvia and Estonia must be counted against the Soviet Union's treaty ceilings, and that these forces should in principle be subject to verification. The three republics are seeking their withdrawal but Soviet officials have warned it will take time.

An understanding could be drawn up, outside the treaty, to cover them, and a separate agreement reached with the Baltics to allow inspection. The possibility has been raised of the Baltics eventually joining the treaty, but the present treaty text contains no provisions for accession.

Attempts are being made to draw a clear distinction between the Baltics and other republics breaking away from central Soviet control, in order to forestall an arms build-up.

A senior east European negotiator said there was "no doubt whatsoever" that "successor" states such as Ukraine would inherit the obligations the Soviet Union had signed up to.

"It is in the interests of the whole of Europe to have these forces under control," he said.

If some form of union remained, it would be up to Russia and the other republics to divide up the Soviet entitlements among themselves, he added.

Otherwise, an agreement would need to be worked out with the former Warsaw Pact allies, revising the share-out deal they concluded in Budapest just before the treaty was signed 10 months ago.

But a western delegate admitted: "Frankly, no-one knows which way things will go." The emergence of Ukraine as a separate military power "could put a substantial question mark over the viability of the treaty".

A crucial part of the CFE agreement is an elaborate verification regime. This involves monitoring thousands of military bases and breaks new ground by providing for surprise "challenge" inspections of undeclared facilities. But western officials now raise doubts about how these carefully-worded provisions will be enforced. "Will the Soviets be able to take inspection teams into Azerbaijan or Georgia?" asks one.

The Soviet upheaval also overshadows the talks now going on in Vienna – known as CFE-1a – about reductions in military manpower. The talks are due to be wound up by March.

The original CFE talks were based on two alliances, allowing each an equal number of tanks, artillery pieces and so forth. Now that the Soviet Union has lost its alliance, there can be no such starting-point. Western officials are looking above all for exchange of information and facilities for verification. About half the countries have provided data; the Soviets have yet to do so.

"But," said one official, "we're travelling hopefully."

Pankin makes pledge on nuclear weapons

MR Boris Pankin, the new Soviet foreign minister, yesterday pledged to the United Nations that a union of sovereign states would assume all of the international commitments made by the USSR, including those linked to its status as a nuclear power, writes Michael Littlejohns from New York.

He emphasised that Soviet nuclear weapons "remain under effective centralised control".

In his maiden speech to the General Assembly, Mr Pankin thanked all states that supported the resistance to last month's abortive coup against President Mikhail Gorbachev.

"The defeat of a coup aimed at restoring totalitarian rule led to a revolution that changed the face of the nation, sweeping away the last remaining pillars of the bankrupt regime," he said.

Mr Pankin deplored the resurgence of what he termed "national egotism" that had followed east-west reconciliation in Europe, saying this was also becoming the main feeding ground for terrorism. The result might be "the 19th century re-visited", though with the added danger that weapons of mass destruction might be hijacked by nationalist or religious extremists.

Finland offers Lenin a final resting place

THE Lenin Museum in Finland is prepared to offer a final resting place for the founder of the Soviet state, its director said, Reuter reports from Helsinki.

Mr Aimo Minkkinen, head of the museum in the city of Tampere, 160km north of Helsinki, said that if the collapse of communism in the Soviet Union forced Lenin's embalmed corpse out of its Red Square mausoleum, he would willingly give it sanctuary.

"We always gave Lenin a hiding place when times were difficult in Russia," Mr Minkkinen said. Liberal reformers want to remove the corpse from the shrine where it has lain since 1929. A proposal to the Supreme Soviet on October 2 wanted Lenin moved to his mother's grave in St Petersburg.

Ukraine wants to shut down Chernobyl

THE Ukrainian government wants to shut the crippled Chernobyl nuclear power plant by 1995, Mr Theo Waigel, the German finance minister, said, Reuter reports from Kiev.

He told reporters that Mr Vitold Fokin, the Ukrainian prime minister, made the promise to him during a meeting on Monday in Kiev.

Mr Waigel, on a three-day visit to the Soviet Union, said Mr Fokin was seeking German technological aid in closing down the plant that caused an environmental disaster after an April 1986 reactor accident.

Soviet V-230 and V-213 pressurised water reactors in eastern Germany were shut down by Bonn last year because of acute safety risks. They are still widely used throughout eastern Europe.

EBRD boost for Baltics

THE three Baltic states moved closer to their goal of integration with Europe yesterday when Mr Jacques Attali, president of the European Bank for Reconstruction and Development (EBRD), said the bank would consider their applications for membership at the end of next month, writes Gillian Tett in Tallinn.

After discussions with all three prime ministers during a one-day trip to Tallinn, Mr Attali said he envisaged that each state would be able to apply for shares worth Ecu10m (£7m) in the bank.

In an attempt to present a united economic front, the three prime ministers yesterday unveiled a six-point economic co-operation plan which includes creation of a common Baltic customs region and co-ordinated policies on price controls and monetary reform. They also plan joint energy, transport and telecommunications projects with financing from the EBRD, the World Bank or the proposed Baltic Investment Bank.

Anthony Robinson adds: The EBRD has also finalised its investment strategy for Poland. It will concentrate on technical and financial support for privatisation, banking and environmental rehabilitation and support for modernising and privatising energy supplies. It will also help finance transport and agro-industrial projects and financial sector personnel training.

INTERNATIONAL NEWS

Mann's release marks latest move in complex hostage exchange

By **Lara Marlowe** in Beirut and **Victor Mallet** in London

THE release yesterday of Mr Jackie Mann, the 77-year-old Briton kidnapped in 1989 on the streets of Beirut, is the latest move in a complicated exchange of Middle East hostages; it is unlikely to be the last.

Mr Javier Pérez de Cuéllar, the UN secretary general, is the chief intermediary in a series of secret negotiations involving Lebanese Shia Moslems, Palestinians, Israel, Iran and Syria (which exerts its influence over most of Lebanon).

Efforts to resolve the hostage issue once and for all began in earnest last month when Islamic Jihad, a Lebanese kidnap group linked to the Iranian-backed Hizbollah, freed Mr John McCarthy, the British journalist, and gave him a letter for Mr Pérez de Cuéllar which called for the release of Arab prisoners in Israel and Europe.

Since then Mr Pérez de Cuéllar and his interlocutors in Iran, Israel and elsewhere have made unsteady but real progress. Mr Edward Tracy, the US hostage, has been freed in Beirut, while Israel has released 51 Lebanese and received information about three of its seven servicemen missing in Lebanon.

It is said in Beirut that there is now a "calendar" for releases that could result in the freedom of all western hostages within months.

Mr Abdel-Halim Khaddam, the Syrian vice-president, said recently that the hostage affair would be resolved "this year".

Mr Ali Mohammad Besharati, Iran's deputy foreign minister, said in an interview published yesterday that he hoped "by January, all hostages irrespective of their nationalities will be able to go home".

Statements by Lebanese kidnappers at the time of Mr McCarthy's release suggest that the UN's involvement in the hostage negotiations began early in the summer under the auspices of Mr Giandomenico Picco, a UN envoy.

In a communiqué issued this month with a photograph of Mr Mann, the Revolutionary Justice Organisation said it would release a videotape of meetings between UN officials and kidnappers to hold the negotiators to their commitments.

It is possible, however, that some negotiations have taken place without the direct UN involvement.

The International Committee of the Red Cross has acted as an intermediary between the Israelis and parties holding the bodies of Israeli servicemen, in particular Hizbollah and the Democratic Front for the Liberation of Palestine which recently repatriated the body of Samir Assad, a Druze Israeli soldier.

Further releases are on the cards, although the multiplicity of interested parties seems to have made it impossible to stick to a precise timetable.

Mr Mann's release has already been delayed once because his kidnappers complained that Israel was supposed to have freed 20 more Lebanese prisoners first.

Even Mr Nabih Berri, the leader of the Shia Moslem Amal militia, has attempted to involve himself in negotiations by claiming to hold two Israeli bodies which he wants to trade for the remaining 280 or so Lebanese prisoners held at the al-Khiam prison in Israeli-controlled south Lebanon.

Western governments and Lebanese Shia Moslems are convinced that the release of hostages has been hastened by Iranian and Syrian attempts to make friends in a world now dominated by the US.

More reliable information about the remaining western hostages has emerged in the past four or five months than in five years.

"The Syrians, the Iranians and the Israelis all want to help Bush now," said one Lebanese close to Hizbollah recently. As their assets dwindle, the kidnappers and their supporters continue to squeeze as much political capital out of the hostages as they can.

Iran and Syria insist that they have no real influence over the Lebanese kidnappers or knowledge about the hostages, although they are remarkably well informed about imminent releases and eager to take the credit when someone is freed.

The fragile process of releasing hostages could again break down or be delayed at any stage, particularly if radical Palestinian or Lebanese groups pushed on to the fringes of Middle East politics seek to assert themselves.

The Lebanese hostage-takers are also seeking guarantees for their own safety after all the westerners are released.

So far the omens are good for the Lebanese held by Israel – including Sheikh Abdul-Karim Obeid, the Hizbollah leader – kidnapped by Israeli commandos in 1989 – and for the nine remaining westerners in Lebanon.

But the volatile situation in south Lebanon, where Israel and the Israeli-backed South Lebanon Army confront Palestinian guerrillas and Lebanese Shia Moslems, could stop the release of hostages or restart the hostage-taking once the existing captives are freed.

This month, Israel and the SLA captured two Palestinians and killed a UN soldier when six guerrillas attempted to enter Israel by sea.

Japan breaks its record for longest growth spell

By **Steven Butler** in Tokyo

JAPAN'S economy has expanded for 58 consecutive months, the longest period of continuous growth since the Second World War.

Japan's economic planning agency said yesterday that the economy continued to grow in September and that there was no reversal in sight.

The previous record for economic expansion was the "Izanagi Boom" of the late 1960s, which lasted for 57 months.

The agency did warn, however, that the economy was cooling, and that third quarter growth may come in below the 2 per cent annualised growth rate reported for the second quarter, before bouncing back to the 3.5 to 3.9 per cent range.

The forecast appeared virtually to rule out any possibility that the government growth target of 3.8 per cent in the year to the end of next March would be met.

Many private economists are predicting annual growth to be closer to 3 per cent.

The government has been holding interests rates high in an attempt to check inflation and to bring to an end a period of rampant speculation in property and financial assets. Only in the past three months has the Bank of Japan supported a gradual easing of rates.

Property and share prices have fallen, sometimes sharply, as a result of high interest rates, which have also taken their toll in the real economy, where capital spending has been weak.

Calls for a faster easing of interest rates have recently been heard from the private sector, as well as from some government officials.

EPA officials none the less said that strong private spending would underpin the economy's continued expansion.

And while capital spending has fallen from double-digit growth, companies are still projecting an 8 per cent increase for the fiscal year.

Hongkong Bank takes first step towards bankrupting Bond

By **Kevin Brown** in Sydney

HONGKONG Bank of Australia yesterday took the first step towards bankrupting Mr Alan Bond, the failed Australian entrepreneur, by filing a notice in the Federal Court requiring him to repay a US$194m debt.

The notice gives Mr Bond 28 days to repay the debt. If he fails to find the money, the bank will be entitled to file a petition of bankruptcy.

The bank acted after Mr Justice Rogers in the New South Wales Supreme Court refused an application by Mr Bond for a stay of an earlier judgment that the debt was enforceable.

Mr Bond said he would appeal against the judgment, and claimed the judge had not understood the nature of his financial affairs. "It is disappointing, but a lot of people are facing difficulties around Australia today. They will face theirs, and I will face this."

Alan Bond: 'the judge did not understand'

The debt is part of a US$336m financing package loaned by a syndicate of banks for a nickel mill at Greenvale, Queensland, built by Dallhold, Mr Bond's private company.

Dallhold was put into receivership by Hongkong Bank, part of Hongkong and Shanghai Banking Corporation, and other creditors in July after a court heard the company had debts of more than A$1bn and assets of just A$41m. Mr Justice Rogers said Mr Bond appeared to have a deficiency of assets over liabilities of some A$40m, without taking account of the bank's claim and other contingent liabilities of A$425m.

"If ... there is a state of insolvency of the kind and extent which these figures suggest, then every requirement of public interest dictates that bankruptcy proceedings should be put in train," the judge said.

Mr Bond, whose personal wealth was estimated two years ago at A$100m, lost control of Bond Corporation Holdings last year after the group reported a record annual loss for an Australian company of more than A$2bn.

In addition to the bankruptcy proceedings, he faces charges of dishonesty relating to share dealing in Western Australia, and is under investigation by the Australian Securities Commission, the corporate watchdog.

● A warrant could be issued for the arrest of Mr Christopher Skase, the bankrupt former head of the Qintex television and resort group, if he fails to return to Australia for a court examination of his estate next week.

Mr Max Donnelly, Mr Skase's trustee in bankruptcy, said there were grounds for a warrant if Mr Skase did not return from Spain, where he now lives. Mr Skase, who declared himself bankrupt in June with debts of A$172m, also faces charges alleging assault, and misappropriation of A$19m from Qintex funds.

Discontent flares on streets of Zaire

Julian Ozanne on the frustrations of the urban poor with an anachronistic regime

ZAIRE'S descent into rioting and looting by mutinous government soldiers and angry urban youths over the last two days follows the refusal of President Mobutu Sese Seko's oppressive and bankrupt 26-year-old regime to bow down to popular demands for political change.

The eruption of violence and anarchy in the capital Kinshasa and the southern mining town of Kowlezi has left at least 10 people dead so far and plunged the country into its deepest crisis since the bloody years of post-colonial independence from Belgium in 1960.

It has also ignited the discontent of Zaire's increasingly impoverished urban population – struggling to survive severe food shortages and 3,000 per cent inflation – with a regime unwilling to accept a peaceful transition from dictatorship, nepotism and corruption to democracy and economic liberalisation.

The decision yesterday by France and Belgium to send troops into the country to prepare for the evacuation of their nationals also highlights the degree to which Mr Mobutu has been deserted by his traditional western allies. These now see him as an embarrassing anachronism in the post-Cold War World where African rulers no longer win support simply because of their commitment to capitalism and the west.

For months, Zaire's opposition movement – made up of former politicians, trade unions and civic associations – has been warning that a violent showdown would be unavoidable unless Mr Mobutu honoured his April 1990 promises to move the country to multi-party democracy.

As in several other African countries – such as Benin, Cameroon and neighbouring Congo – Mr Mobutu eventually caved into pressure from the pro-democracy opposition and convened a national conference empowered to decide the country's political and constitutional future.

But as soon as it opened, nearly seven weeks ago, it fell into disarray amid accusations by the opposition that Mr Mobutu had packed the conference with bogus delegates and secret security officers bent on disrupting the democratic proceedings.

President Mobutu Sese Seko: the opposition believes he will not concede power peacefully

The opposition, led by veteran politicians such as Mr Etienne Tsihikedi and Mr Jean Nguz à Karl-I-Bond mounted a successful boycott of the conference. Mr Mobutu's refusal to meet their demands to reconvene a truly democratic body added fuel to the growing frustration in the capital and exacerbated suspicions that the "Big Man" was up to his old tricks and would not concede power peacefully.

The continuing economic deterioration, marked by hyper-inflation, crumbling infrastructure, negative economic growth, an unserviceable debt of $9bn to $10bn, rapid devaluation of the zaire – the currency – and critical shortages of the foreign exchange earnings needed to feed the import-dependent economy, spawned the growth of a deprived urban population. For many, there was nothing to lose from taking to the streets. At least 10 people were killed three weeks ago when security police fired tear gas and bullets on rioting youths who had erected barricades in the slum areas of Kinshasa.

The addition to the ranks of rioters this week of mutinous soldiers, apparently discontented with their poor pay, raises serious questions about the loyalty of the army and security forces.

Fears are growing that without a rapid political response from Mr Mobutu, Zaire, already bloodied by years of tribal and secessionist conflicts, could easily go the way of other traditionally western-backed dictatorships, such as Somalia and Liberia, which have disintegrated into tribal bloodletting.

The prospect of the violent implosion of Zaire – a country with large cobalt and copper reserves – has frightening implications for the stability of the entire region.

PAST BELGIAN INTERVENTIONS IN CENTRAL AFRICA

July 1960: On the eve of the independence of the Congo, now Zaire, Belgium sends troops to evacuate its nationals from its former colony, after a mutiny by security forces.

November 1964: Belgian paratroopers attempt to rescue some 2,000 Europeans held by rebels in Stanleyville (Kisangani), but fail to prevent a massacre.

May 1978: Another attempted secession by Shaba province (formerly Katanga) leads to many European deaths and intervention by 1,000 Belgian paratroopers, who along with French forces repatriate 2,700 of their nationals.

October 1990: Belgian troops, again in concert with French forces, go into Rwanda, which borders Zaire, to evacuate their nationals threatened by rebels invading from Uganda.

● FRENCH forces have been involved in 13 military operations in sub-Saharan Africa since 1962, in Zaire, Senegal, Gabon, Chad (no less than four times), the Central African Republic, Togo, and the Comora islands - as well as in Mauritania.

ECONOMIC SNAPSHOT

Real GDP growth	–2.4%
Inflation	265%
Exports	$1.7bn
Imports	$1.5bn
Resources output	
Copper	355.5t
Cobalt	10.0t
Diamonds	19.4m carats

1990 estimates. Source: EIU

Palestine hardliners hit back

By **Our Middle East Staff**

PALESTINIAN hardliners campaigned yesterday against the proposed Middle East peace conference which is sponsored by the US and supported in principle by many Palestinian moderates.

Mr George Habash, leader of the left-wing Popular Front for the Liberation of Palestine, told the Palestine National Council (PNC), the parliament-in-exile meeting this week in Algiers, that the US plans were "a programme to bury the Palestinian question".

He said: "They are asking us to bury our cause with our own hands."

Mr James Baker, the US secretary of state, has asked Palestinians to compromise on their choice of delegates to the peace conference to satisfy Israeli demands that the Palestine Liberation Organisation and residents of east Jerusalem be excluded.

Mr Nayef Hawatmeh of the Democratic Front for the Liberation of Palestine, another left-wing PLO faction, called for armed struggle against Israel.

PLO chairman Yassir Arafat casting his ballot yesterday

"I invite all factions of the Palestinian revolution to reject this peace conference under the formula proposed by the United States and to insist on an international conference according to international legality," he said.

Mr Yassir Arafat, the PLO chairman, told the meeting that the US and its Arab allies had decided not to allow the Palestinians to send their own delegation to the proposed conference but had opted for a joint Jordanian-Palestinian group.

Palestinian leaders in the occupied territories, meanwhile, said Palestinians should take the initiative in negotiations with the US by setting out the terms under which they would attend.

Senior figures in the West Bank say they want the PNC to agree to attend the planned regional peace conference, but to make clear that it would do so on the understanding that negotiations would tackle an Israeli withdrawal from the occupied territories and recognition of Palestinian self-determination.

Two top leaders from the occupied territories, Mr Faisal Husseini and Mrs Hanan Ashrawi, were said yesterday by the PLO to be going to the US to continue talks on the peace proposal with Mr Baker.

Michael Littlejohns adds from the United Nations: In a surprise gesture Mr Boris Pankin, the Soviet foreign minister, in an address to the UN offered strong support for President George Bush's proposal that the UN repeal its 1970 resolution equating Zionism with racism.

In a "de-ideologisation" of the UN they should leave behind the "legacy of the Ice Age", including this "obnoxious" resolution.

Kaunda officials accused of big copper fraud

By **Mike Hall** in Lusaka

ZAMBIA'S Movement for Multiparty Democracy plans an investigation into allegations of large-scale fraud by senior officials in the copper industry if it wins next month's general election.

The party has established a "day one committee" to prepare an international inquiry into the financial affairs of Zambia Consolidated Copper Mines (ZCCM), the Metal Marketing Corporation (Memaco) and overseas subsidiaries.

A senior MMD official said international legal and financial experts were also investigating potential liability by the auditors.

Last month auditors Deloitte Haskins and Sells and Coopers & Lybrand signed unqualified accounts for ZCCM and Memaco respectively.

In July a local newspaper alleged, in what has become known as the Coppergate scandal, that Memaco had been paying inflated freight charges amounting to tens of millions of dollars on hundreds of copper shipments over several years.

The paper claimed the payments went to a company in South Africa acting as a front for Zambian officials in Lusaka and London.

A member of the MMD's day one committee said their investigations indicated that some of President (Kenneth) Kaunda's topmost officials had been party to the siphoning off of hundreds of millions of dollars of scarce foreign exchange through illegal or highly irregular deals.

"We want to find out what has happened to this money to see if we can claim it back for the people of Zambia," he added.

"We want to know why the accounts of these companies have not been qualified," the MMD official said. The MMD, which most analysts believe is likely to win the elections on October 31, has said it will look into the possibility of privatising ZCCM.

Angolan President Jose Eduardo dos Santos began a two-day visit to Britain yesterday to encourage foreign investment in his country as it moves towards democracy and tries to heal an economy crippled by civil war, Reuter reports.

Mr dos Santos was last night meeting Mr John Major, the prime minister, and business leaders at the Confederation of British Industry.

The Angolan embassy said Mr dos Santos would brief them on Angola's economic and political reforms. He would also explain new laws guaranteeing repatriation of profits and other "favourable investment conditions", the embassy said.

Roh uses UN speech to propose Korean peace plan

By **Michael Littlejohns**, UN Correspondent, in New York

SOUTH Korean President Roh Tae Woo yesterday proposed a three-point plan for normalising relations with the communist north, beginning with a peace treaty and renunciation of the use of force, replacing their present fragile armistice.

Addressing the UN General Assembly, to which the two Korean states were admitted as members last week, he called for military confidence-building measures, noting that they have 1.7m troops confronting each other along the demilitarised zone.

These measures should include an exchange of military information, advance notification of field exercises and troop movements and the exchange of permanent observers to prevent surprise attack.

Warning that nuclear weapons in the divided peninsula could threaten world peace, Mr Roh appealed to North Korea to abandon its nuclear arms programme and submit unconditionally to international inspection.

Once that was done and confidence-building measures were in place, he was prepared to begin discussions on the reduction of conventional forces and on nuclear issues.

South Korea was prepared to pursue economic co-operation with the north in all areas, including joint venture industries.

"I do not believe that the Korean peninsula should be left as the only land remaining divided by the cold war," he said.

"At a time when all the divisive barriers are collapsing, the unification of the Korean peninsula must be a matter of time and the natural course of history."

UK-Vietnamese talks falter on centres for returning boat people

By **Angus Foster** in Hong Kong

TALKS between Britain and Vietnam on setting up special holding centres in Vietnam for returning boat people appear to have faltered and both sides are now exploring new ways to speed up repatriations.

The main stumbling block is the question of sovereignty. The centres could not be managed by Vietnam without incurring criticism from the US, which opposes forcible repatriation, but Vietnam is not prepared to cede territory to international organisations.

Talks are continuing in Hanoi, Vietnam's capital, between the two sides and representatives of the United Nations High Commissioner for Refugees (UNHCR) and the International Organisation for Migration.

The internationally managed centres have been strongly supported by the Hong Kong government, which believed the centres could provide a way around US objections to forcible repatriation of boat people. Hong Kong has not dared to force boat people to return since it was severely criticised for repatriating 51 boat people forcibly in December 1989.

More than 1,100 boat people have arrived in the colony in the last five days, an unusually high rate for September. This takes the total of people in Hong Kong's cramped camps to more than 64,000, a 12-year high. Most have been classified as economic migrants who do not qualify for repatriation to third countries, or are awaiting classification.

Meanwhile, the UNHCR has announced it will drastically cut payments made to boat people who volunteer to return to Vietnam. New departures from Vietnam will now receive up to $50 (£29.50) if they volunteer to return, compared to a maximum of $360 in the past.

The move is designed to stop people leaving Vietnam purely for the cash payment upon return.

Reform package seeks to axe internal trade barriers while boosting provincial powers

Mulroney unveils constitutional blueprint

By Bernard Simon in Ottawa

A SWEEPING package of constitutional reforms was unveiled yesterday by Mr Brian Mulroney, Canada's prime minister. The reforms would dismantle the country's pervasive internal trade barriers in exchange for giving Quebec and the other nine provinces wide powers in other spheres.

The 28-part blueprint is designed to persuade French-speaking Quebec not to break from the rest of the country, while also addressing the dissatisfaction of English-speaking Canadians with their political institutions. The proposals replace the ill-fated Meech Lake accord, whose collapse in June 1990 spurred the independence movement in Quebec.

Mr Mulroney told parliament yesterday that the government's proposals aimed "to build a strong and prosperous Canada where all Canadians can feel at home." Speaking in French, he stressed however that the 7m Quebecois must be free to "preserve and promote a vibrant French-speaking society".

The premier said the government would consider changes to its blueprint, based on the findings of a parliamentary committee which begins public hearings today.

The committee is due to complete its work next February, working against the backdrop of Quebec's threat to hold an independence referendum by October 1992 unless it receives a satisfactory offer from the rest of the country.

Much initial reaction to the proposals was cautious, but they were immediately criticised as inadequate by Quebec separatists. Mr Jean Chrétien, opposition leader, called on the government to hold a national referendum on the final package of constitutional reforms.

The most divisive elements of the Mulroney plan are likely to be constitutional recognition of Quebec as a "distinct society", and a prohibition from mid-1995 on any laws or practices which restrict the mobility of people, capital, services and goods within the country.

The government's other proposals include an elected and more powerful Senate, a constitutional guarantee of self-government for aboriginal people, greater regional representation on the board of the Bank of Canada, and an independent agency to monitor federal and provincial economic policies.

The provinces would gain greater powers in, among others, the fields of manpower training, culture, immigration, broadcasting and tourism.

Consumer confidence still falling in US

By Michael Prowse in Washington

US consumer confidence fell for the third consecutive month in September, further undermining hopes of a robust economic recovery. But a new index of business confidence indicates many companies remain cautiously optimistic.

The Conference Board, a New York-based business analysis group, said its index of consumer confidence fell 3.5 points to 72.7 last month. This compares with a high of 81.1 in March, following victory in the the Gulf war, and levels of between 100 and 120 before the recession began in July last year.

Mr Fabian Linden, for the board, said the figures indicated the economy was unlikely to rebound later this year. "Concerned and insecure consumers would be cautious spenders," he said.

The survey shows increasing pessimism over employment prospects: only 7.5 per cent of respondents said jobs were "plentiful" while 40 per cent said they were "hard to get".

Consumers seem increasingly anxious about prevailing conditions. An index measuring the "current situation" fell sharply to 39.3, the lowest level since the recession began. However, an index measuring consumer "expectations" fell only slightly to 95, close to levels in the spring.

Business confidence, however, appears more resilient. A new index compiled by Cahners Economics, a Boston-based economic consultancy, rose to 64.8 in September, against 64.5 in August and an initial reading of 62.2 in June.

The index, based on a survey of 400 business managers, tracks changes in hiring, production, inventories and other measures of business activity.

An index in the mid-60s indicates that businesses are positive about the economic outlook, said Mr Kermit Baker, Cahners' chief economist. He said nearly 83 per cent of managers polled forecast steadily improving business conditions. But they remained cautious about new investment.

Brazilian sell-off slides into chaos

By Christina Lamb in Rio de Janeiro

MORE than 20 years ago General Charles de Gaulle said of Brazil "this is not a serious country". Had he been around yesterday for the chaos surrounding Brazil's first privatisation he would have seen his words vindicated.

Minutes before the hammer was due to fall on Usiminas, the country's largest steel mill, the auction was suspended by a Rio de Janiero court.

The well-dressed participants arriving at the Rio Stock exchange to bid found their entrance barred by egg-throwing demonstrators from the country's main unions.

Throughout yesterday morning confusion surrounded the auction as three courts decided on various petitions to stop or allow the sale. Potential bidders were in frantic discussion with lawyers and partners, while the 12 foreign banks expected to bid were fielding irate calls from headquarters. Directors of the National Development Bank (BNDES), which is in charge of privatisation, were locked in a meeting.

It was impossible to keep up with the court action and fears grew that Usiminas could be sold sub judice. The stock market dropped 5 per cent in 30 minutes.

"Basically we have three questions," said the director of one foreign bank. "Will the auction happen? If so, what currencies can be used to bid with? And if we do bid, what is the risk of the sale then being annulled?"

Before the final suspension was announced, a second court had sanctioned the sale but prohibited bidders from using many financial instruments, including all foreign debt instruments.

"This makes the process unviable," a BNDES official said, admitting that under the conditions they would be unlikely to achieve the minimum price, set at \$1.8bn (£1bn).

Many of the potential bidders were calling for the sale to be postponed to allow them to reassess their positions, pointing out they had been intending to bid with one of the forbidden currencies. Mr Jan Jarne, director of Silex, which is co-ordinating a bidding group, complained: "We're all on edge here still trying to figure out what's happening and what to do. We're not at all clear that we're still interested."

Union protesters gathered outside the stock exchange expressed their anger at the sale. "State property is being sold for the price of a banana," one argued.

White House seeks summit on health cost

By George Graham in Washington

THE Bush administration has proposed a summit meeting with private health insurance companies to discuss ways of reducing administrative costs, in response to Democratic calls for an overhaul of the US health system.

Mr Louis Sullivan, health *and human services secretary*, said he wanted to meet insurers within the next two months to see how unnecessary paperwork could be eliminated.

Some advocates of a national health insurance system have argued that this could save up to \$136bn (£80.4bn) a year in administrative costs, but Mr Sullivan rejected these estimates. Health department officials said savings might reach \$15bn to \$20bn.

Mr Sullivan also rejected the comprehensive reform proposals that several Democratic legislators, including Senate majority leader Mr George Mitchell, have put forward.

"I will not propose another grand, sweeping, speculative scheme," he said, urging "immediate and practical options". These include easier access to health insurance plans for small businesses, the use of more cost-effective healthcare procedures, and tax changes to make consumers more aware of the true cost of healthcare.

Employers complain bitterly over the soaring cost of medical insurance.

Cuomo sets out to revive New York with $7bn package

By Martin Dickson in New York

MR Mario Cuomo, Democratic governor of New York state, presented yesterday a \$7bn (£4.1bn) package of public works to revive the ailing economy of New York city, together *with important fiscal reforms* to help solve the city's budget crisis.

In a presentation to business and civic leaders in Manhattan, Mr Cuomo outlined what he claimed was "one of the most exciting economic development agendas in this state's history," which would create 25,000 permanent and 54,000 construction-related jobs and generate \$8.2bn in economic activity.

The speech marked a dramatic intervention by the governor in the city's affairs. Mr Cuomo had stood aloof for months while Democratic Mayor David Dinkins struggled – eventually successfully – to balance the 1992 budget amid a severe regional recession and mounting social problems. With little sign of an economic upturn the city faces severe fiscal pressures for the foreseeable future.

But while Mr Cuomo's plan won widespread praise from city figures for leadership and vision, critics wondered how much of the package would advance beyond rhetoric.

They noted that the host of capital spending projects outlined by the governor would have to be financed largely by the private sector, and questioned how much of this money would be forthcoming.

The plan includes connecting New York's Kennedy and La Guardia airports with the city's existing subway and commuter rail lines by a new light railway, to be funded by a \$3-a-head levy on departing air travellers.

It also involves renovation of the city's two key passenger rail terminals, Grand Central and Penn; the building of a huge new waterfront residential and commercial estate in the borough of Queens, directly across the East River from the United Nations; and studies on the feasibility of a high-speed ferry service serving Manhattan and surrounding commuter areas.

To help solve the fiscal problem, Mr Cuomo said the state would gradually take over the rapidly growing burden for Medicaid, providing health assistance to the poor, which is currently shouldered by the city and other local governments. By the end of the century this was expected to save the city about \$1bn a year.

Mr Cuomo said he put together the blueprint because the state government had a responsibility to the city, which accounted for 7m of New York's 18m population and much of its revenues.

However, his intervention may revive speculation on whether he will seek the Democratic presidential nomination.

Mr Cuomo, seen as one of the Democrats' best hopes, has repeatedly denied any such plan. But in yesterday's speech he renewed his attack on the Bush administration and congressional Democrats for ignoring the plight of America's cities.

Mario Cuomo: had remained aloof for months

Claims against García backed

A PERUVIAN parliamentary commission has supported allegations of illicit enrichment while in office against Mr Alan García, the former president, writes Sally Bowen in Lima.

The commission found "indications" of Mr García's direct participation in Peru's decision to place reserves with the failed Bank of Credit and Commerce International "which could have brought him personal advantage". It also indicated that Mr García's involvement in a 1986 contract to buy Mirage jet fighters from France "might have generated personal benefit".

The Chamber of Deputies will vote next Tuesday on the commission's findings, a process which could lead to a trial.

Chile charges ex-police chief

THE Chilean government has charged General Manuel Contreras, director of the country's secret police during the harshest years of the 1973-1990 military government, with murder, writes Leslie Crawford in Santiago.

Mr Contreras, once the second most powerful man in Chile, and Brigadier Pedro Espinoza, his right-hand man, are accused of ordering the 1976 assassination of Mr Orlando Letelier, a prominent opponent of Gen Augusto Pinochet's dictatorship.

Mr Letelier and his US secretary, Mrs Ronnie Moffit, were blown up by a car bomb in Washington, the only known case of state-sponsored terrorism on US soil.

WORLD TRADE NEWS

Consumer goods head Moscow's Korean aid list

By John Ridding in Seoul

SOUTH KOREA is pushing ahead with a $3bn (£1.7bn) economic aid package for the Soviet Union and is near to agreement on the list of consumer products to be supplied under a $800m tied loan which is part of the package.

The list will include 5m pairs of sports shoes, 180,000 colour television sets and tens of millions of dollars of components for microwave ovens, according to the ministry of trade and industry in Seoul.

The $3bn economic aid package, which extends over three years, was agreed in February this year. It comprises $1bn in cash, $500m of Korean-made capital equipment and $1.5bn in tied loans.

Following a series of meetings in Seoul last week, officials from the two countries agreed to commit $760m of this year's tied loan financing to the export of 41 types of consumer products from South Korea. Products to be bought with the remaining $40m will be decided at further meetings.

Of the $800m of consumer products to be imported by the Soviet Union this year as part of the agreement with Seoul, $160m will be spent on electronic products. According to the ministry of trade and industry, the Soviet Union is particularly keen to import Braun tubes for colour televisions.

Other products to be imported include washing machines, textiles and detergents. The Soviet delegation also requested increased shipments of stainless steel plate, synthetic fibre and telephone cables.

However, Seoul has also demanded that the Soviet Union repay $33m of outstanding debts arising from trade between Moscow and Korean business groups over the last year.

NEWS IN BRIEF

Canada to provide $500m in credits to Kuwaitis

CANADA will provide a US$500m (£296m) line of credit to Kuwait for its reconstruction programme, the government said, Reuter reports from Ottawa.

The credit from Canada's Export Development Corporation is for the purchase of Canadian goods and services in rebuilding the emirate. Officials from Canada and Kuwait agreed on a memorandum of understanding with terms of the credit line to be negotiated in coming weeks. Canadian companies have obtained contracts worth C$160m (£83m) over the past six months.

US to back Taiwan in Gatt

The US government will soon begin work on Taiwan's bid to enter Gatt, a senior US official said yesterday, (AP-DJ) reports from Taipei.

Ms Sandra Kristoff, assistant US trade representative for the Asia and Pacific region, said the US will consult with other Gatt nations in Europe and Asia to settle details of the membership.

UK company's $9m airport deal

Norwest Holst International of Britain has been given a $9m contract to upgrade the international airport on the eastern Caribbean island of St Lucia, writes Canute James in Kingston. Financing is being provided by the Caribbean Development Bank, local commercial banks and the Ports Authority.

Ukrainian banknotes contract

Canadian Bank Note expects to win a C$100m (£51.8m) to print currency, passports and stamps for the Ukraine and it may build a joint venture security printing plant, writes Robert Gibbens in Montreal. The company is one of two suppliers in Canada of banknotes to the central bank.

China juggles with commercial reality and socialist realism

By Robert Thomson in Beijing

ON THE military-green metal cover of a computerised lathe at the China International Machine Tool Exhibition, engineers from the Shenyang Number One Machine Tool Works had stuck a small boast written in lopsided English letters: "This is sold to a user of Korea".

Given that China does not have diplomatic relations with South Korea and that North Korea is a communist soulmate with a friendship, as the propaganda puts it, "sealed by the blood shed in the Korean war", the political probability was the lathe was sold to the north.

"No, no, it was a South Korean company that bought our lathe," said a representative of the Shenyang factory, making clear that a barter deal with North Korea would be not worth a boast at an exhibition that was more about commercial reality than socialist realism.

Political change was also on display a few stands away, where Mr Bedrich Musil, regional head of Strojimport, the Czechoslavakian company, explained his job has been made far more difficult by the collapse of communism in Europe. In the past, he has exported heavy machinery under barter agreements drawn up annually by the Czech and Chinese governments.

But those government-to-government agreements are gone, and Mr Musil must now negotiate his own barter deals and find Chinese products that will sell well in Czechoslovakia: "We have arranged to swap mountain bikes and cotton T-shirts for our machine tools. We are now negotiating to send rice back home. You know, all of this dealing is not so easy for me. I'm just an engineer."

Some of his work involves replacing machines that are monuments to past political alliances. Czechoslovakia supplied Chinese factories with heavy machinery in the 1950s, but eastern Europe's assistance stopped when Beijing and Moscow clashed over differences of ideology.

"Czechoslovakian equipment still has good reputation from those days. We get Chinese engineers who have had our machines since the 1950s and they want to replace them with new models. If they have hard currency, they will pay. If not, we barter," Mr Musil said.

In dealing with the demise of European communism, officials at China's ministry of foreign economic relations and Trade (Mofert) have to keep both their foreign customers and elderly Chinese cadres satisfied. Asked to explain if Mofert is restructuring to take account of the break-up of the Soviet Union, a senior official avoided a direct reference to the events of recent weeks.

Chinese factories cherish relics of the 1950s hey-day of communism

US companies are again doing business with China, and the US Association for Manufacturing Technology said that 30 makers were represented at the just-completed week-long machine tool exhibition.

Mr Charles Koella, the association's vice-president for international trade, said the companies brought a total of 13 containers of equipment to Beijing and that virtually all of the machines had been sold.

The US exhibitors displayed sophisticated measuring and cutting equipment, but one Californian company, Autospin, was of particular interest to Chinese military equipment makers. Apart from aluminium baseball bats, the company's flow-forming machines make nose cones for rockets, the casing of missiles, and launcher tubes for anti-tank weaponry.

But Autospin had to leave its machine at home and only distributed brochures to potential Chinese clients. Mr Koella explained that a toughening of US technology export regulations on September 1 meant that such military-related machines could no longer be sold to China: "They had an order all ready to fill but had to cancel it. These machines had originally been banned, and then the ban was lifted and now the ban is back."

France out to repair S Africa ties

By Philip Gawith in Johannesburg

TRADE between France and South Africa looks set to increase following the visit here by Mr Dominque Strauss-Kahn, French minister for trade and industry, the first French cabinet minister to visit the country since 1975.

Mr Strauss-Kahn was accompanied by businessmen from 25 leading French companies. He said the purpose of the visit was to show appreciation at the steps taken towards dismantling apartheid and to increase trade and investment.

Mr Strauss-Kahn pointed out that trade between the two represented only 4 per cent of South Africa's total, compared to 18 per cent in the case of Germany. He also noted that France was South Africa's eighth largest trading partner whereas, given its trading status elsewhere in the world, it should be about fourth.

He attributed this discrepancy to the diligence with which France had implemented sanctions.

■ The French government has granted Genmin, the mining arm of the South African mining house Gencor, and BRGM, the French mining parastatal, the right to explore and exploit the gold prospect at Montagne Tortue in French Guyana.

Slow US ship holds up Gatt convoy

William Dullforce reports on Washington's hard line on shipping

THE EUROPEAN Community, with its intransigence over farm reform, is not alone in bearing the blame for the failure to conclude the Uruguay Round trade talks under the auspices of the General Agreement on Tariffs and Trade (Gatt).

The US is responsible for several stumbling blocks to an agreement that would liberalise international trade in services. Crucial differences over shipping, telecommunications and financial services have still to be resolved.

Last week the Nordic countries – Finland, Iceland, Norway and Sweden – put forward a proposal aimed at "smoking out the Americans" on shipping. The Nordic countries' ideas are now being carefully scrutinised in Washington and other capitals and it is too early to say whether they would be acceptable to the US shippers who have so far determined the US negotiating position.

The US has been alone in demanding that maritime transport be excluded from an agreement on services; other participants, including the European Community, insist that shipping must be covered. More recently, the US has concentrated on trying to secure exemption for shipping from the Gatt's non-discriminating most-favoured-nation (MFN) rule which stipulates that a country must extend any trade benefits granted to another country to all Gatt members. The US has also been the only main trading nation to demand that cabotage or coastal shipping restrictions be omitted from any liberalising deal on maritime transport.

Bulk shipping – the transport of oil, grains, coal and ores on ships owned by an exporter or an independent shipping company – makes up by far the larger part of international seaborne transport and is generally accepted as operating under a relatively liberal regime. The talks on shipping services have therefore focused on the cabotage business and on the cargo-sharing arrangements, including the liner trades, which carry goods on regular routes on fixed schedules and are estimated to account for 11 per cent of world seaborne trade.

Liner trades are usually organised by "conferences" of companies which fix freight rates and sailing frequencies and pool revenues. The US insists that conferences be open to new members and opposes the closed conferences run by companies in the EC, the Nordic and other countries.

Washington has refused to sign the United Nations liner code, designed to improve developing countries' share of world shipping. Under the code two countries can reserve 40 per cent each of the maritime trade between them for their own flag vessels, leaving 20 per cent for carriers from other nations.

The core of the US position has been its refusal to have its domestic shipping laws made subject to an international services agreement that would impose a multilateral dispute settlement system.

Its laws allow it to take unilaterally retaliatory measures to combat what it regards as discriminatory practices by foreign countries. Since they condone discriminating, selective retaliation against offending countries, these laws conflict with the MFN rule.

American shippers have argued that US regulations offer a more effective means than a multilateral agreement of opening up foreign shipping markets and would liberalise world shipping faster. The EC and most other major shipping nations are sceptical.

US laws stipulate that 75 per cent of farm aid shipments, at least 50 per cent of US government-generated cargoes and all cargoes generated by the US Export-Import Bank be shipped on vessels flying the US flag. These measures account for nearly 40 per cent of all commercial freight carried by US flag vessels.

In addition, under the Merchant Marine Act, the so-called Jones Act, all goods transported by water between US ports must be carried in US flag vessels crewed by US citizens. This covers oil and bulk commodities. The Jones Act, together with laws prohibiting exports of Alaskan North Slope oil, effectively reserves all Alaskan oil cargoes for US flag vessels.

The Nordic proposal calling for a freeze on trade-distorting measures in shipping and the removal of existing restrictions within three years tests the US shippers' commitment to liberalisation. The US would have to give up its cargo-sharing deals with Argentina and Brazil. It would retain its coastal restrictions, including its right under the Jones Act to resort to unilateral trade action but other countries would be able to ask the US to negotiate deals on cabotage rights.

One weakness in the Nordic proposal is that it does not tackle the question of closed liner conferences. Another is that at least initially it failed to evoke a favourable reception from the developing countries – and this could lead the US to persist with its view that it can liberalise shipping better by using its own muscle.

Hills hears view of EC employers

By William Dullforce

EUROPEAN manufacturers and service companies have told the US administration of their concern at the lack of progress in the Uruguay Round. In particular, they are urging the US to improve its offer on tariff reductions, to negotiate constructively on subsidies and to end its discrimination against foreign inventions.

Mr Carlos Ferrer, Spanish president of the Union of Industrial and Employers' Confederations of Europe (Unice), also asked Mrs Carla Hills, US trade representative, during a meeting in Washington on Monday, to reach an agreement on services covering all sectors, including financial services and shipping.

So far the US has sought to have maritime transport excluded from a general agreement on services.

Mrs Hills had shared Unice's concern about the lack of progress and the need for the talks to be ended as soon as possible, Mr Ferrer said yesterday.

On the crucial issue of agriculture, Mr Ferrer said the Gatt talks should not be subordinated to the final drafting of the EC's internal reform of its common agricultural policy.

UK NEWS

Tories attack Labour's tax plans

By Philip Stephens, Political Editor

THE Conservatives yesterday put the claim that a Labour administration would need to raise the basic rate of income tax by 10p to meet its spending commitments at the heart of their attack on the opposition's economic strategy.

Launching a detailed analysis of Labour's tax and spending pledges, Mr Norman Lamont, the chancellor, said he had found a £25bn gap between what the opposition had promised to spend and what it planned to raise in extra taxes.

That gap could only be plugged if the basic rate of tax was raised from 25p to 35p. The result would be to push up the bills of "ordinary taxpayers" earning between £10,000 and £20,000 a year by around £25 per week.

As the clatter of a phoney election war continued to echo around Westminster, the arithmetic was dismissed by Labour. Mr John Smith, the opposition economics spokesman, insisted that a future Labour government would not raise the basic rate of tax.

Mr Smith went on to accuse the Conservatives of lying about past increases in Value Added Tax, predicting a further rise in VAT from 17.5 per cent to 22 per cent if the Government were re-elected.

The Conservative calculations were based on the assessment - rejected by Labour - that by the last year of the next parliament - 1995/96 - Mr Smith would be spending £35bn a year more than a Conservative chancellor.

That figure was put alongside a projection - run through Inland Revenue computers - of the money that would be raised by the planned tax increases that Labour has publicly announced.

Mr Lamont said that this "grim list" would have a "devastating" impact on hundreds of thousands of taxpayers. But in fact it represented only the "tip of the iceberg".

The Inland Revenue projections had shown that by 1995/96 the cumulative impact of the eight planned rises would be to add £10bn to government revenues. The £25bn gap between that and spending pledges represented Labour's "hidden agenda" to push up the tax bills of all taxpayers.

London follows the Lille line

Richard Tomkins, looks at a plan to halt commuter station suicides

The message is familiar to regular travellers on London Underground.

"Due to a person under a train, services are suspended," crackles the public address system. "Passengers are advised to use alternative services where available."

No one is shocked. Instead, the announcement is greeted with a mixture of callous resentment and anger: for passengers surmise that this is not some appalling accident, but yet another attempted suicide.

They are usually right. On average, two people every week end up beneath the wheels of a London Underground train. The vast majority are deliberately trying to kill themselves, though only 55 per cent succeed in doing so.

Now, however, London Underground appears to have found a remedy. When the Jubilee Line extension to Docklands opens in 1996, 2m-high transparent screens will run the full length of the platform edges at stations from Westminster to North Greenwich.

Only when trains enter the stations will sliding doors in the screen allow passengers through to the adjacent train doors. The rest of the time, the screens will be impenetrable.

If the system works, it could mark the first successful attempt to solve a problem which regularly brings massive dislocation to the Underground.

On average, it takes 36 minutes to clear up a "one-under", as the incidents are known among Underground staff. Each incident costs an estimated £50,000-£70,000 in wasted time, without counting the ripple effects of disruption to the rest of the day's services. More importantly, they can have a devastating psychological effect on train operators, some of whom find themselves unable ever to drive again.

The problem is neither unique to London Underground, nor new. Railways worldwide have provided people with a convenient means of dispatching themselves ever since their invention.

In a renewed attack on the problem two years ago, the Underground commissioned a three-year study into the causes and effects of "one-unders" by the Department of Community Medicine at London's Charing Cross and Westminster Medical School.

The department's preliminary findings show that the peak hours for incidents are 11.00 to 12.00 and 15.00 to 16.00. Peak days are Mondays, peak months are March and May. Most of the incidents involve men under 55. But more significantly, there is a strong correlation between stations with the highest suicide rates and those close to psychiatric units.

London Underground has toyed with the idea of drawing greater attention to the fact that suicide attempts on its tracks are so often unsuccessful, but now technology is offering a means of preventing them instead.

Previously the idea of screening off platforms has not been feasible because of the difficulty of ensuring that trains stop with train and platform doors correctly aligned.

The more sophisticated train control systems being installed on the Jubilee Line, however, will overcome this problem. If successful, the system could be incorporated into the planned modernisation of the Central and Northern lines over the next few years.

London Underground will not be the first city to experiment with screens. They were introduced on the automated metro which opened in Lille, France, in 1983 and were also incorporated into the Singapore underground system which opened four years ago.

In Singapore, they were introduced as an adjunct to the air-conditioning system to stop cool air on stations and trains mixing with hot air in the tunnels. But since their introduction, the Singapore underground has never suffered a suicide. London Underground hopes the Jubilee Line will follow that example.

Ulster's power hangs in the balance

Ralph Atkins on a revival in political excitement in Northern Ireland

EXCITEMENT over the impending general election is spreading beyond the UK mainland to infect Northern Ireland's politics – whetting appetites of Unionist MPs for whom a hung parliament might offer a rare chance to wield real power.

Fascination over the political alliances that could be forged if neither of the two biggest parties won a majority partly explains why attempts to revive talks on the province's political future have flagged.

Compared with the Liberal Democrats' demands for constitutional reform, the conditions being publicly aired by some Unionist MPs appear superficially modest. Yet past precedent and present complexities make the formation of pacts an unenviable task.

With only 17 MPs in Northern Ireland – one, Mr Gerry Adams, Sinn Fein MP for West Belfast, does not take his seat – the risks in trying to appease a handful of MPs may outweigh the rewards. Stable government could hardly be guaranteed; Northern Ireland's MPs were crucial in bringing down the minority Labour government of Mr James Callaghan in March 1979.

So far, all scenarios are hypothetical. Neither Labour nor the Tories even acknowledge the possibility of anything other than outright victory.

The nine Ulster Unionist MPs are the largest grouping in the province. Headed by Mr James Molyneaux, a coy leader who plays his cards close to his chest, they traditionally have strong links with the Conservative party. By nature most are conservative with a small "c".

Recently, however, that relationship has soured. The hated 1985 Anglo-Irish Agreement signed by Mrs Thatcher when Conservative leader, and the decision of local Tories to fight Westminster seats in the province, are but two grievances.

Molyneaux: a leader who plays cards close to his chest

The Rev Martin Smyth, Ulster Unionist MP for south Belfast, said: "The instinct at this moment in Northern Ireland would have more empathy with the Labour party, with a cleaner record on Northern Ireland, than with a Tory party which had not yet repented of its sins."

He cites the tenure of Mr Roy (now Lord) Mason as Northern Ireland secretary from 1976-79 as a time when the government had "a grip" on security.

Yet any pact by Labour with the Ulster Unionists would cost the votes of the three MPs from the nationalist Social Democratic and Labour party – a sister socialist party. Mr Neil Kinnock, Labour leader, would lose his current Northern Ireland spokesman, Mr Kevin McNamara, who firmly backs the official policy of eventual unification.

Ulster Unionists' price for a post-election deal would centre on returning power to local politicians. Without a cross-party agreement on political structures in the province, that would, in effect, mean a return to the Unionist ascendancy.

A Northern Ireland select committee to scrutinise the work of ministers, proper parliamentary debate of legislation affecting the province and a tougher stand against terrorism would be minimum demands.

The risk would be the temptation to ask for still more. Ulster Unionists would probably promise only to support the government, rather than actively involve themselves, leaving open the possibility of increasing their demands at a later stage – for example, insisting on an early replacement of the Anglo-Irish Agreement.

To a Tory or Labour government seeking radical changes, a pact with the more cohesive 21 Liberal Democrat MPs suddenly has greater appeal.

To augment the nine Ulster Unionist MPs are a possible four other Unionist votes. Three are held by the Democratic Unionist party of the voluble Rev Ian Paisley, whose obstinacy would make personal relationships with mainland politicians difficult if not impossible.

DUP preconditions are likely to be harsher than those of the Ulster Unionists. The Rev William McCrea, the party's MP for Mid Ulster, said an end to constitutional uncertainty and a tough, uninhibited initiative against the IRA would be his demands.

The fourth non-UUP MP is Mr James Kilfedder, the maverick unionist MP for North Down. He has his own Ulster Popular Unionist Party and sits on the Conservative benches in the Commons. As far as is known, he has not yet been approached by either Messrs Major or Kinnock.

The Booker spells riches in the Byzantine world of books

By Alice Rawsthorn

AT four o'clock yesterday afternoon an anxiously awaited phone call came through to the office of Ms Anne Elletson, publicity manager of Faber and Faber, the London publisher, with the news that one of its books, Such a Long Journey by Rohinton Mistry, had been shortlisted for the Booker prize.

The Booker is Britain's most prestigious literary award. All six books on the shortlist – including Time's Arrow by Martin Amis (Cape), The Famished Road by Ben Okri (Cape), The Redundancy of Courage by Timothy Mo (Chatto and Windus), The Van by Roddy Doyle (Secker & Warburg) and Reading Turgenev by William Trevor (Viking) – are guaranteed extra sales.

Faber has been planning its 'shortlist strategy' since July. Immediately after the announcement Mr Dennis Crutcher, production director, instructed Richard Clay, its printers in Suffolk, to print 15,000 extra copies of Such a Long Journey.

Ms Elletson and her publicity team spent the rest of yesterday calling the national newspapers to make sure they had enough copies of the novel and enough information on Rohinton Mistry.

A similar scene was enacted in the offices of Cape, Chatto, Secker and Viking. The reason for all this activity is, of course, money. Mr Julian Rivers, marketing director of Dillons, the chain of bookshops owned by the Pentos group, reckoned that a book sells at least five times more copies if it gets on the Booker shortlist.

Sales of the winning novel will be higher still. Even an unpopular Booker winner can expect to sell 50,000 copies in hardback worldwide, compared to sales of 3,000 or 4,000 for a typical hardback.

The Byzantine economics of publishing, whereby it costs twice as much to print and sell 10,000 hardbacks as 1,000, means the publishers can make substantial profits from the increased sales of their Booker titles.

This year they need those profits even more than usual. The £1.4bn book market has been badly affected by the recession. Sales are believed to be at least 15 per cent down on last year.

But the Booker does not just mean more business for publishers, it is also an important event in the betting year. Ladbroke, one of Britain's biggest betting chains, has been offering odds on the Prize for more than 20 years.

Yesterday afternoon it sent the six shortlisted titles to the home of Mr Ron Pollard, its Booker odd-setter. Mr Pollard will plough through all the books in the next 36 hours so Ladbroke can start taking bets tomorrow.

UK NEWS

UK pay gap between men and women widest in EC

By Diane Summers, Labour Staff

THE GAP between men's and women's earnings is substantially wider in the UK than it is in other European Community countries, the Equal Opportunities Commission said yesterday as it challenged the political parties to commit themselves in the run-up to the general election to a programme of reform on issues affecting women.

The EOC figures show that female full-time workers earn, on average, 77 per cent of the hourly earnings of comparable male workers. The gap in the UK is 8 to 10 percentage points wider than in other EC countries, including France, Germany and the Netherlands, where direct comparisons can be made, said the EOC.

Ms Joanna Foster, who chairs the commission expects sex equality issues to have a higher profile in the forthcoming election campaign than ever before. Much of the pressure for change evident during the past year had come from employers, she said.

Mr John Major, the prime minister, is expected to make a substantial statement on equal opportunities at the end of next month when he launches a project aimed at increasing the quality of women's participation in the workforce.

The initiative, called Opportunity 2000, is being co-ordinated by Business in the Community, the voluntary organisation for business initiatives, of which the Prince of Wales is president. Companies, including Kingfisher, Sainsbury's, ICI and Legal and General, are expected at the launch to announce their targets for the employment and promotion of women.

The Labour Party last week pledged that, among other measures, it would introduce "contract compliance" under which companies seeking public sector contracts would have to fulfill certain equal opportunities criteria.

The EOC plans to circulate a list of demands to all members of parliament which will include proposals to improve access for women to justice and replace the current "rusty" sex discrimination and equal pay legislation with a single equal treatment law.

The commission also wants to see maternity rights and employment protection at work extended to cover all women, regardless of how long they have worked for an employer or how many hours they work rather than restricting it under these headings as at present. It stressed that the development of a national childcare strategy was central to the improvement of opportunities for women.

Ms Foster said nearly half of all workers were now women. "The challenge is not about the quantity of women in the British labour force, it is about the quality of work they are asked to do. Once again, we see so graphically in the figures that women's experience and skills are still underutilised and under-valued", she said.

Regulator moves to stamp out extortionate credit deals

By David Barchard

SWEEPING LEGAL changes are being proposed by Sir Gordon Borrie, the director-general of fair trading, to stamp out extortionate credit deals which he describes as the unacceptable face of consumer credit.

His proposals would give the courts power to reopen an unjust credit agreement and would introduce tougher penalties for unlicensed money lending – something which is already illegal.

Sir Gordon also proposes that the courts should be able to identify and reopen an unjust credit agreement, even without an application from the borrower.

He wants himself and local authority trading standards officers to be able to apply to the courts to have transactions declared unjust.

Sir Gordon says only a minority of credit deals involve exploitation, but the 1974 Consumer Credit Act has not prevented loan sharks from charging unjust rates of interest, which sometimes carry annual charges equivalent to 1,000 per cent or more.

The OFT has even encountered a case in which interest of £37.50 was charged on a three-week loan of about £100.

The OFT report also urges tougher penalties for loan sharks.

At present, the maximum penalties for unlicensed money-lending are either a fine of £2,000 or a two-year jail sentence.

The report accepts that lenders are right to charge higher interest rates to risky customers, but says there are occasions on which the price of credit is excessive and so oppressive that no sensible person would find them acceptable.

Courts have faced a series of financial, cultural and practical obstacles in their efforts to combat extortionate lending. One common problem is that the victims of such lending may lack the funds to take cases to court.

Unjust credit practices fall into several categories:

- rates of interest which are grossly out of line with the prevailing market rate for that kind of credit;
- lending that has been secured against a customer's home with high rates of interest and high fees, which replace unsecured debt with secured debt but do not pass on the benefit to the borrower;
- high-pressure selling techniques, such as staying in the customer's home until the agreement is signed or keeping social-security or child-benefit payment books as security against a loan;

BRITAIN IN BRIEF

Rolls-Royce cuts car production as sales drop

Rolls-Royce Motor Cars, the UK luxury car maker and a subsidiary of Vickers, is to cut production for two weeks in December in response to the continuing steep fall in its worldwide sales.

It has been forced to introduce a three-day week at its Crewe plant in the Midlands since the beginning of September after already cutting four production weeks in the first eight months of the year.

The company said that its sales worldwide this year were running at around 50 per cent of last year's level of 3,300. Its UK sales in the first eight months at 432 were 48.4 per cent lower than a year ago.

Archbishop joins debate

A second church leader criticised government education policy, only days after a controversial speech on the subject by Dr George Carey, Archbishop of Canterbury.

Cardinal Basil Hume, Archbishop of Westminster and leader of England's Roman Catholics, spoke of a "grave danger" that many of the least fortunate young people in the community would receive an education which was deteriorating in quality.

Plea for more buses in UK

A plea for buses to be given a bigger role in solving Britain's transport problems was issued by the bus industry yesterday.

The Bus & Coach Council said 78 per cent all public transport passenger journeys were already made by bus or coach, compared with 10 per cent by British Rail and 12 per cent by Underground or metro.

In a manifesto setting out a list of measures aimed at encouraging bus use, the council said the bus should be recognised as the principal option for easing the problems of traffic congestion.

Plea for cash in training

Education and training should be at the top of ministers' agenda in the current round of public expenditure negotiations, Mr Peter Morgan, director general of the Institute of Directors said yesterday.

Mr Morgan, who was launching a new IOD discussion document, Performance and Potential – Education and Training for A Market Economy, was commenting on a leaked Treasury memorandum that states that it is seeking to cut £1bn from the Department of Employment's training budget over the next three years.

Travel failure strands 1,300

A travel company specialising in holidays to the Channel Islands failed with about 1,300 customers away on holiday.

Teletravel, which traded as Jubilee Holidays, Jersey Gateway, Guernsey Gateway and Gateway Holidays, also arranged holidays in Amsterdam, Paris and Northern Ireland.

The Association of British Travel Agents said all those affected could continue their holidays and those with forward bookings would get full refunds.

An Abta spokesman said it was discussing with Teletravel, based in Stanmore, north-west London, and St Helier, Jersey, what to do about people about to set off on holiday.

Action urged on rural jobs

The government must take action to counter the loss of up to 100,000 farming jobs over the next decade, the Rural Development Commission warned yesterday.

The commission, which advises government on rural issues, has concentrated its resources on specific areas facing particular problems such as the rural coalfield areas of the East Midlands, but it requires "additional resources from government to be effective on a wider front," Lord Shuttleworth, commission chairman, said in his annual report.

Survey plan for BCCI

Campaigners lobbying for a restructuring of the collapsed Bank of Credit and Commerce International are to survey depositors in an attempt to persuade the banks' liquidators to take proper account of views of victims of its closure.

The BCCI campaign committee, co-ordinated by Mr Keith Vaz, Labour MP for Leicester East, plans to send questionnaires to 40,000 BCCI depositors to see if they support plans for a restructuring of the "clean" parts of the bank.

"We hope that the provisional liquidator will take the hint and issue his own questionnaire, which will, of course, be much more formal," Mr Vaz said.

- THE QUEBEC Superior Court, at the federal government's request, has ordered liquidation of Bank of Credit and Commerce International Canada and confirmed Arthur Andersen as liquidator. A group of depositors had tried to delay the liquidation. The bank has an estimated C$200m assets and deposits of C$107m.

Bank sets up Ecu system

The Bank of England is setting up a new payments clearing system for commercial banks which will make it easier to settle debts with each other using the Ecu, or European currency unit. Under the system, banks needing funds to settle positions in Ecus will be able to borrow the money from the Bank overnight, secured against financial instruments denominated in Ecus.

Labour unveils housing plan

Labour unveiled plans for a National Housing Bank to provide a new source of funding for affordable properties for the homeless alongside an emergency mortgage rescue package to halt home repossessions. The housing policy initiative would also allow local authorities to begin a phased release of an estimated £5bn in capital receipts from council house sales for a new building programme.

CLASS APART: Manchester United's defence seeks to blunt a Crystal Palace attack

Soccer giants to leave the Football League in 1992

A vote by English Football League clubs has cleared the way for a new Football-Association sponsored "Super League" to kick-off next season.

The current structure of the English Football League has effectively collapsed following the vote - which allowed club's to leave the league at short notice rather than giving three years' notice.

That left Football League adminstrators considering a bleak commercial future without the major attractions of Arsenal, Tottenham, Leeds and the Manchester and Merseyside giants.

At first the new league, to be known as the Premier League, will have the same number of clubs and three will be relegated/promoted each season.

Clubs left in the lower divisions will have to regroup and have voted to accept £3m compensation over five years from the FA.

The 103-year old Football League was dismembered quicker than a half-time interval leaving clubs facing a round of negotiations to retain the sponsorship of Barclay's Bank, and to renegotiate television agreements.

MANAGEMENT

Taxing time ahead for EC exporters

John Wilkins explains the impact of forthcoming changes to VAT regulations

Big changes are planned in the way VAT is applied to trade between EC member states. From the end of 1992 there will be no fiscal controls at borders and a new system will be introduced for checking the payment of VAT on companies' imports. There will be obvious benefits for business – and some unpleasant surprises.

At present, when goods are imported, VAT must be paid in order to get the goods into the country; they can be examined for this purpose. In practice, the procedure is streamlined, and a trader who can provide the authorities with the necessary safeguards is usually allowed to postpone payment.

From January 1 1993, however, goods from one EC country will be entitled to enter another without any formalities at all. The 54-box form, called the Single Administrative Document, or SAD, which traders have to fill in at present for every consignment entering or leaving the country, will not be required for imports from, and exports to, the EC.

The tax on imports will be entered as a liability on the importer's next VAT return, where it will normally also qualify for refund; so no net payment will arise and the importer's cash flow will benefit from the elimination of any time lag between paying VAT on imports and being given credit for it.

So much for imports. The complications start to arise on exports. At present VAT is not charged on exported goods, but after 1992 this will only apply in the EC if the purchaser is registered for VAT. Sellers will have to quote the customer's VAT number on each invoice; they will need to obtain this information towards the end of 1992 and keep it up to date. In some of the other member states new VAT numbers may be needed. Computer programmers and those designing or ordering forms and stationery should note that all VAT numbers will probably have a prefix indicating the member state.

What will happen if an unregistered purchaser in one member state tricks a seller in another member state into zero-rating the sale by giving a bogus VAT number? In the UK, if the seller acts with reasonable care and the goods leave the country, Customs and Excise will not normally hold him liable for the VAT and will notify the tax administration of the other member state.

Other new requirements will *involve changes to accounting and* record-keeping systems:

● Exporters will have to provide their government with a return for each quarter showing the total sales to each registered customer in another member state. They must be able, on request,to give the amounts of the separate invoices,a description of the goods and their price. When goods are moved temporarily from one member state to another,for example to be repaired,the records must provide a check that the goods return to the original member state.

● In addition to the quarterly customer listing, the largest 20 per cent of importers and exporters will have to provide their government's statistics office with monthly returns of goods moving between the UK and other member states regardless of the nature of the transaction. This is because the SAD will no longer be in use to provide the information.

The return will be less detailed than the SAD and should prove to be a lighter burden. Although the return will ask for totals, country by country and commodity by commodity, companies will be allowed to simplify their procedures if they wish by giving the information in untotalled form for each separate consignment and by having the work done by forwarding agents as part of their handling of the paperwork. Without these concessions the return could be a serious problem.

● The VAT return will contain two new boxes from the beginning of 1992. They will show the value of goods sold and delivered to other member states, and of goods purchased and delivered to the UK from other member states. This information is intended to help Customs plan for the new system before 1993 and identify companies that are to make the statistical return.

There are other complications too:

● There is some uncertainty about how the new rules will apply in three-country transactions – where, for example, a wholesaler in member state B buys from a producer in member state A, resells to a retailer in member state C and has the goods delivered direct from A to C. The wholesaler's VAT position is unclear,and the producer's quarterly listing could result in the price paid by the wholesaler becoming known to the retailer. UK Customs are looking for ways of removing this danger.

● At present all exports are zero-rated regardless of who the customer is. Inside the EC this will change;exports to registered traders will remain zero-rated, as already explained,but exports to private persons and non-registered traders will become liable to VAT only in the exporting country, subject to two important exceptions. The first exception is where a business sells to a private person and delivers to his or her address. If these sales to another member state exceed about £70,000 a year, the company will owe VAT to that country. In the special case of mail order the threshold may be less than £70,000. The system will entail extra records and possibly the appointment of a fiscal representative in the other member state.

The second exception is new road vehicles,boats and aircraft. The purchaser will owe VAT in the country where the new vehicle is registered and the seller will have to provide the information to ensure that this is done.

● At present hauliers do not charge VAT on the carriage of goods between different countries, but from 1993 this will change for carriage between member states.

If the person who wants the goods moved – the haulier's customer – is registered in the member state where the carriage starts or finishes and the haulier is in the same member state, the haulier (having ascertained all this) will charge VAT. In most other cases the customer will himself owe the VAT to the tax department. Either way the customer will normally be entitled to recover the VAT as input tax.

There will be greater co-operation between member states' tax departments and there is a danger of less protection for companies' trade secrets.

Under the present directive a member state need not disclose a taxpayer's trade secret, and any national prohibition against disclosure, as in the UK, prevails. New rules, contained in a regulation which will take precedence over UK law, will provide that the sole grounds for refusing another member state's request is "public policy", which may not always cover a trade secret.

Will the advantages of the new system outweigh the disadvantages? The full details of how it will be implemented in the various member states, including the associated penalties, are not yet known,but three general points can be made.

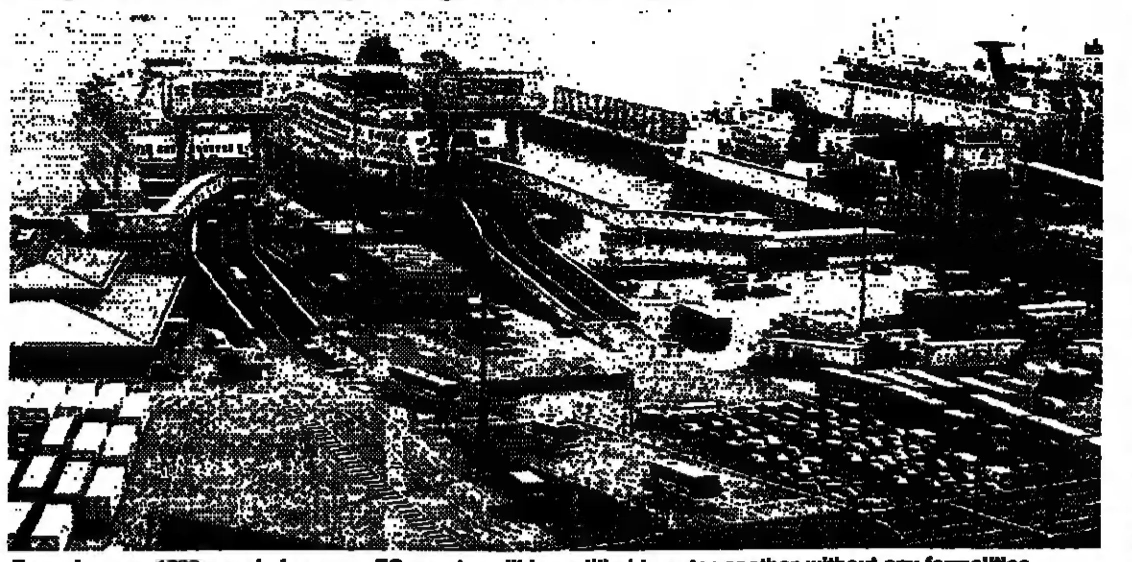
First, there will in future be three, not two, systems. At present there is one system for sales of goods entirely inside the UK and a separate system for goods leaving or entering the UK. The new system for trade with the rest of the EC is radically different from either.

Second, the Commission sees the new system as temporary. It hopes to change later to a system under which VAT will always be charged on goods sent to another member state, even to a registered trader. It hopes that this will come into force at the beginning of 1997, although it may be later because a method has still to be worked out for passing on the tax that will be charged on trade sales to the purchasing trader's government.

Third, traders and Customs have very little time in which to get the necessary organisational, accounting and computer changes in place. Assuming the EC legislation is finalised soon and draft UK legislation is published in October for consultation, it will not be until the Finance Bill is published next April that business will have a basis on which to act. So long as clauses in the bill are not substantially amended,a clear eight months will remain.

The changes will get rid of some important hindrances to cross-border trade and companies should be ready to exploit new opportunities. But they also need to prepare for new complications and make sure that, overall, they come out winners.

The author is a consultant to the Institute of Directors.



From January 1993, goods from one EC country will be entitled to enter another *without any formalities*

Out-patients in line for dose of customer care

Alan Pike reports on a change of emphasis in health provision at one of the first NHS trust hospitals

Andy Black, chief executive of London's Central Middlesex hospital, points to a photograph on his office wall of forbidding-looking nurses in starched uniforms and morning dress-clad doctors.

"That was taken in 1934 when the patient was regarded as the passive, ignorant object of medical care. The nurse ordered you to get into bed and not crumple the sheets. The doctor told you to stand up and sit down. Well, there's still an element of that attitude around today and we are going to change things."

When the Central Middlesex became one of the first self-governing trusts under the government's National Health Service reforms in April, Black and Dr Martin McNicol, his chairman, announced plans to turn it into a patient-focused hospital.

In April, the words probably sounded to staff little more than a slogan. Managers throughout the NHS are brushing up on their customer-care techniques, recognising that in a consumer society people are becoming less inclined to tolerate attitudes and standards in hospital which they would reject in hotels and shops.

But Black and McNicol have begun unveiling plans which go far beyond a customer relations exercise and envisage the complete restructuring of the way in which the Central Middlesex is managed and delivers services to patients.

Only about 10 per cent of the hospital's patients are admitted to the wards – the majority attend only for out-patient consultations or day surgery. Yet like most hospitals, everything about the Central Middlesex, from the design of its buildings to the way it is staffed and managed, focuses on the in-patient aspects of its work.

The trust management intends to reverse this by reorganising the hospital around at least 14 ambulatory centres. Some of these would cover distinct specialist medical and surgical activities while others – like elderly and rehabilitation services – would be broader groupings. A family care centre, combining obstetrics, paediatrics and gynaecology, is a possibility.

Formation of the centres would provide Black and McNicol with a ground-plan for pressing ahead with the next, more radical stage of their changes – the provision of treatment on team-based, cross-boundary principles.

Centres would have their own facilities for investigation, therapy and minor surgery. Instead of patients being sent on long journeys around the hospital for blood-tests or X-rays, all except complex pathology and radiology work would be carried out in each centre.

The change would make redundant many of the NHS's traditional professional demarcation lines. Nurses, rather than specialist staff in the pathology and radiology departments, would handle straightforward X-rays and blood tests.

Multi-skilled clinical teams would operate across existing boundaries and the concept of discrete operating theatre, out-patient, ward and day unit staff would disappear.

The re-allocation of work within the centres would be accompanied by the introduction of a clearly managed approach to patient care. A specified member of staff would become responsible for managing each patient's entire visit. Whenever possible, assessment and treatment would take place during a single appointment. When a further visit was needed, the same staff member would be allocated to the case again.

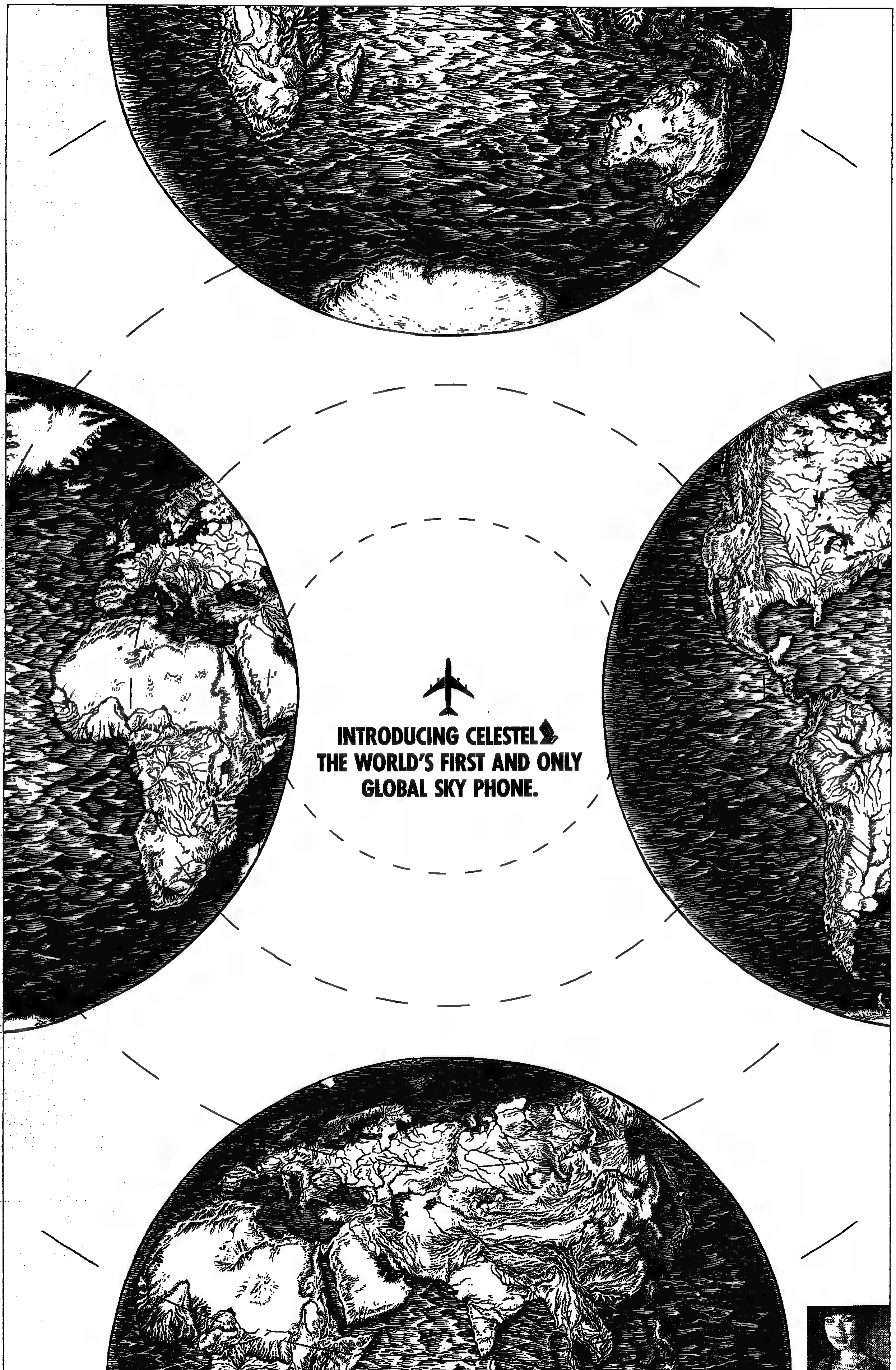
Patients would leave the hospital with clear written information about their treatment to take to their GPs. Dedicated telephone lines would enable GPs to have easy consultations with staff in the centres.

If successful, the changes will give patients a more convenient and personalised service. But Black stresses that these consumerist aspects of the plans, while welcome, are incidental to the hospital management's over-riding belief that they will provide better standards of medical and nursing care.

Many organisations have expressed interest in the Central Middlesex proposals. They are attracting the attention of senior Department of Health officials, local health authorities, GPs and the medical royal colleges – the Royal College of Physicians has agreed to help assess the effects of the proposed new care arrangements.

But gaining staff support for implementation will not be easy. The NHS is rich in interest groups – among both its professional and unskilled staff – who are likely to feel threatened by the proposed shift to a multi-skilled, generic style of patient care.

McNicol is devoting two-thirds of his time as trust chairman to implementing the project. His position as a former consultant at the Central Middlesex will be crucial in winning support of his medical colleagues. "We have to convince people the changes we are proposing are appropriate and feasible, and that they have the responsibility and power to carry them forward," he says.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BUSINESS AND THE ENVIRONMENT

Peter Knight examines the problems companies face when targeted by environmentalists

Backed into a corner

Earlier this month a group of Greenpeace activists emerged from the early-morning gloom on the Cumbrian coast with a specially engineered plug. They used it to stop most of the flow from the 8m gallons-a-day discharge pipe at the Albright & Wilson detergent and phosphate factories near Whitehaven.

The action, which forced the company to close six of its plants temporarily, came only weeks after Greenpeace won a private prosecution against A&W for exceeding legal emission limits into the Irish Sea, the first such case in the UK.

Greenpeace's commando raid on Whitehaven, which A&W called "utmost lunacy", was merely another step in the environmental group's long-running campaign against the company, a subsidiary of the US conglomerate Tenneco, and against the National Rivers Authority (NRA) which it believes should take a tougher line on pollution.

The battle highlights the *profound difficulties* that industry faces when confronted by environmental groups – mainly based on the misunderstanding of the group's ultimate objectives. "There's a horrifying irrationality about it all," says John Pickup of A&W's corporate affairs department.

Greenpeace would, naturally, disagree. "We look at a company as part of the system and we go for the weakest point. We try to chop off a limb if possible," says [illegible] Elsworth of Greenpeace.

This might explain why A&W is limping a little. Greenpeace [illegible] the offending [illegible] but it has caused considerable distress to the company in terms of bad publicity, legal costs and executive time. A&W's most recent [illegible] was to obtain an injunction forbidding Greenpeace from interfering with its operations.

Greenpeace's campaign is centred on the A&W's discharge pipe near Whitehaven, an environmental film-maker's dream. Described in [illegible] as a "dyspepsic dragon", it froths and spits vast quantities of white water containing heavy metals into the sea, creating a slick that is visible for miles from an aeroplane.

If you were looking to chop off one of industry's feet, then A&W's pipe is a gift from the gods. "It instantly looks wrong," says Tim Birch, the Greenpeace toxics campaigner who has been leading the campaign against A&W.

There is, however, nothing officially wrong with A&W's discharge. It is monitored regularly by the company and the NRA, which has not prosecuted the company. "We have *never* [illegible] *a load on the* environment [illegible] our consent level," says Pickup.

But herein lies the rub that is a feature of most confrontations between campaign groups and industry. No matter how many times the company may wish to underline that it is sticking to the rules, it is, within the nature of the environmental campaign, sticking to the wrong rules.

Greenpeace sees itself, according to Elsworth, as a "solicitor for the environment". The group does not agree with the [illegible] set out by the NRA, nor with the way they are enforced. It has targeted A&W because the company provides the most visible symbol of what Greenpeace views as industry's rape of the environment.

Other companies might be polluting more, but A&W's "dyspepsic dragon" enables Greenpeace to communicate its message to the public with relative ease. And by casting the company as the villain, Greenpeace invariably succeeds in holding the high moral ground.

While industry might be successful at getting high court injunctions and reasonably proficient at arguing the scientific case to other scientifically minded people, it usually loses the communications battle.

There are two reasons for this. First, it is inexperienced at communicating with the public. And second, the campaigners have an [illegible] hold on emotion, the communicator's most powerful tool.

Industry is often [illegible] by the strength of emotion. It feels aggrieved that scientific and business arguments are often disregarded by the public. A&W, for example, tries to defend itself on scientific grounds. "There is no future in ignoring the science," says Pickup.

It also [illegible] commercial confidentiality clauses when asked why it has not killed its "dyspepsic dragon". And the company's assertions that it is doing its utmost to improve its environmental per*formance* ahead of the legal requirements are rejected by Greenpeace as empty promises.

This leads A&W, and others who have been attacked by environmental groups, to complain that the groups are always moving the goalposts. Once they have chopped off the foot, they move on to the next limb and continue until they have fully exploited their target – or the company removes itself from the firing line by improving its performance or shifting its position.

There is no way to measure the commercial effects of confrontations. Pickup says the campaign against A&W has not damaged the company's markets. "It's an irritation and a waste of our time but we have not experienced a commercial downside because of this," he explains.

Even so, it would seem sensible to try to avoid confrontation. One strategy is to build bridges with those who hold an opposing point of view. A&W tries to communicate its environmental thinking to those organisations willing to listen and it is making genuine efforts to improve its environmental performance.

But the company has never met its opponents face to face to try to diffuse the situation. It has invited activists to visit the factories but Greenpeace would never agree to a date. This appears to be a considered [illegible] after all, chopping off a foot is that much easier if you do not have to look the owner in the eye.

Greenpeace activists blocking a discharge pipe at Albright & Wilson's Whitehaven factory earlier this month

From kangaroos to cars and chlorofluorocarbons (CFCs), all have been the subject of confrontation between business and the environmental movement.

There are, roughly, three grades of confrontation: guerrilla warfare, direct action to create damaging publicity and lobbying with the threat of boycotts.

The maverick group called Earth First! in the US is, possibly, the most belligerent. Its guerrilla actions have included driving large nails into trees, which cause chainsaws to break up and injure the operators. In the UK Animal Liberationists have persecuted individual scientists involved in experiments on animals and have firebombed shops selling furs.

Activities verging on terrorism are usually ineffective because they estrange most supporters. Far more successful are direct-action campaigns, such as those introduced by Greenpeace in its early days defending seals and whales.

Here small inflatable speed boats would dash between whale and harpoon and the sequence would be filmed. The success of such action is almost totally dependent on creating bad publicity for the target (the whalers) and sympathy for the victim (the whales).

Lobbying is pivotal in the process of change, and this is what most environmental groups do. Friends of the Earth (FoE) combined lobbying with the threat of a consumer boycott in 1987 when it made the UK aerosol industry the target of its campaign against CFCs.

FoE first published a pamphlet giving details of scientific evidence against CFCs and called on the industry to stop using the chemical as a propellant. When this approach failed FoE prepared a boycott of the best-selling aerosols. After a two-year battle – and only three days before the boycott was due to start – the industry agreed to stop using CFCs.

"It was seen by many as a very bad time for the industry, but it has brought some good too in terms of our ability to change," says Chris Tane, a marketing specialist at ICI, one of the world's biggest producers of CFCs.

Greenpeace fights more aggressively and has perfected its campaigns to combine direct action with advertising, publicity, consumer boycotts, lobbying and, lately, private prosecutions. Few campaigns are as successful as when the group threatened to tarnish the names of top running shoes because manufacturers used kangaroo skins in some brands. A preview of Greenpeace's campaign poster was enough to stop the industry from using kangaroos.

Fuel cells charged up for a cleaner lifestyle

Clive Cookson on the prospects for cheaper power

After several false starts, fuel cells are on the brink of commercialisation as a clean and flexible technology for generating electricity.

Arthur D Little, the US consultancy, came to that conclusion after studying the market prospects for fuel cells. They "may be one of the critical technologies which will allow for the expanded use of energy services that are compatible with maintaining the environmental integrity of the planet," Brian Barnett of Arthur D Little told a conference in London yesterday.

A fuel cell works like a battery, producing electricity from the electrochemical reaction of hydrogen and oxygen. The difference is that a battery contains chemicals which store energy; it has to be recharged or discarded when the energy is used up. A fuel cell is fed continuously with hydrogen and oxygen and will generate electricity for as long as the gases go through it.

In practice, fuel cells take oxygen from the air. The hydrogen can come from a wide variety of hydrocarbon fuels such as natural gas and oil; these are broken down into a hydrogen-rich gas in a "reformer" and then fed into the cell.

The most widely used cell has a liquid electrolyte (phosphoric acid) and platinum catalyst on the electrodes. It runs at about 200 deg C. Other types have higher operating temperatures.

The electrochemical cell is more efficient than conventional power stations burning fossil fuels. Today's cells convert 40 per cent of the energy in the fuel to electricity, and scientists expect to achieve 60 per cent efficiency early in the next century. If the heat of the reaction is used in addition to the electric power, the total efficiency will exceed 80 per cent.

The high efficiency means that fuel cells produce less carbon dioxide than conventional power plants for each unit of electricity generated. And because the fuel is not burnt, emissions such as nitrogen oxides are negligible.

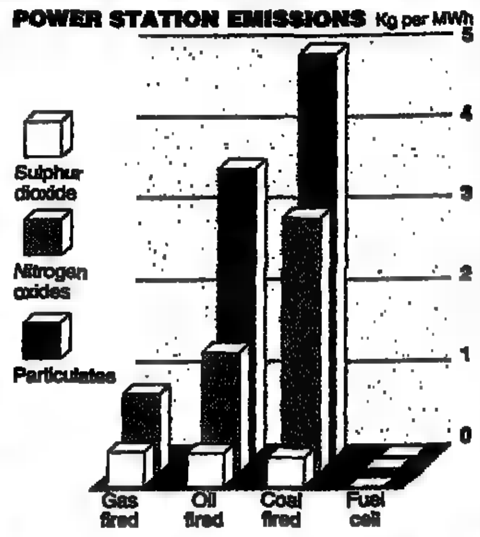
The basic technology is not new. Indeed Sir William Grove demonstrated the first fuel cell in 1839 at the Royal Institution in London. But until recently fuel cells have been restricted to specialised applications such as space travel. They have been too expensive for general purpose power generation.

"We have observed cyclic interest in fuel cell technology," Barnett says. "Every few years interest in fuel cells increases dramatically, only to wane again a few years later. We have witnessed a strong resurgence in interest in fuel cell technology over the last 18 months or so."

The Arthur D Little study suggests that this time the interest will not die back but will grow into a large industry worldwide. It forecasts that by 2000 the total capacity of fuel cells installed will exceed 4,000 MW per year – about 5 per cent of all new generating capacity.

According to Barnett, a combination of three factors will create a mass market for fuel cells:

- Continued progress in technology. A new generation of fuel cells will operate at high temperatures, converting hydrocarbon gas directly to hydrogen without the need for a separate reformer. An example is the solid oxide fuel cell running at 1,000 deg C, which Westinghouse is developing in the US in a $140m (£80m) programme funded by industry and the Department of Energy.
- The emergence of large-scale manufacturing capability. Manufacturers have recently founded the World Fuel Cell Council to promote the technology. Japanese companies, notably Toshiba and Fuji Electric, have taken the lead.
- Most importantly, the environmental advantages of fuel cells. The fuel cell industry now has orders for more than 100 plants worldwide. They range from Fuji's 50 kW units, designed to supply heat and power to offices, hotels and small factories, up to an 11 MW power plant [illegible] operating in Tokyo this year. It was built by a joint venture of Toshiba with United Technologies of the US and supplies electricity for 4,000 homes.



Looking further into the future, Marcus Nurdin, managing director of the World Fuel Cell Council, says "the most exciting application for fuel cell technology will be in the motor car. But we're not sure how far away that is".

In the US General Motors is working with Department of Energy funding to build an electric car powered by a fuel cell, which will reduce noxious emissions by 90 per cent and carbon dioxide emissions by 40 per cent, compared with a conventional petrol engine.

Further ahead lies the seductive green vision of a "hydrogen economy" no longer dependent on fossil fuels. Highly efficient solar cells split water into hydrogen and oxygen. The hydrogen is stored, as a liquid or a metal hydride compound, and then used to generate electricity in fuel cells when needed. Although a full-scale global hydrogen economy could not exist before the next century, the first experimental solar hydrogen plant, funded by a consortium of German companies, is operating in Bavaria.

ARTS

Die Walküre

COVENT GARDEN

The lyric theatre is a place of miracles: the second part of the Royal Opera's newest [illegible] cycle proved the point in ever more elating fashion. Who would have thought, after all the disappointments of the opening *Rheingold*, that on Monday a gust of life-bringing fresh air [illegible] be made [illegible] blow through the dank enclosures of [illegible] Friedrich's "[illegible] tunnel" production?

The achievement [illegible] worked through the [illegible] and [illegible] the alert, un-routined leading performances. The evening was dominated by Bernard Haitink, back on electrifying form after [illegible] *Vorspiel*; indeed, this was one the conductor's triumphant evenings in the opera house, for by a combination of energy, imagination, expertise and sheer artistic honesty he transmuted even the most unpromising elements in the dramatic unfolding into Wagnerian gold.

Each conductor of London's *Rings* in recent decades has left his personal imprint on its sound-world. Haitink's is marked by instrumental muscle. There is no spare fat on the body of strings, the wind and brass bite into as well as bolstering the climaxes, an athlete's well-balanced leanness characterises the attack – yet not a choice of tempo or sound-colour strikes the ear as either driven or forced. The fitness (in all senses) of the conductor's musical imagination means that, whether in passages of lyrical outpouring (eloquently geared to the particular voices on display) or brooding darkness, the creation and sustaining of momentum and atmosphere seem to be a single, unified executive operation.

Since 1989, when Haitink conducted his first Covent Garden *Walküre*, he has learned to stretch out the spans of each act with both expansiveness and tautness ever greater. This rendered the performance wonderfully exciting – the mighty sweep of the opera took me by the throat anew – and unforcedly deep and serious as well. One day, perhaps, we shall encounter this *Walküre* reading in a production worthy of it; meanwhile, it comes as a blessed confirmation of the transformatory powers of Wagner's music.

Poul Elming is the new Siegmund, the most naturally vigorous, musical, and apt-voiced the house has had for many a long season. The Danish tenor was a baritone for some years before embarking on the upward metamorphosis; the virtues of full-grained baritonal warmth have been preserved in the tone, but a bright, un-clogged tenorial [illegible] (with only a slight [illegible] of ring [illegible] the very top) [illegible] drawn out thereof.

All of this makes his [illegible] Siegmund instrument exhilaratingly and beautifully suited to the music. In addition, Mr Elming is tall, personable, intelligent, and continually *interesting* on stage: he finds both the outsider's rough integrity and the lover's rapt ardour in the part, and [illegible] can subscribe [illegible] both [illegible] of the interpretation without strain. [illegible] singer's handsome [illegible] and [illegible] resilience are pure bonus.

The love of the Volsung twins has always been a *Ring* relationship delved into by Friedrich with deep sympathy and understanding; so it was again on Monday, for the partnership of Mr Elming with the Sieglinde (also new here) of Karan Armstrong was filled with dignity and tenderness. Miss Armstrong, Covent Garden's well-remembered 1981 Lulu, sings the music less securely, less steadily than we (and, no doubt, she) want her to; but her musical instincts are noble, and her presence is never less than honestly affecting.

The others are the 1989 principals: John Tomlinson a black-voiced (but now wildly overacted) Hunding; Helga Dernesch the most mature and eloquent of Frickas; James Morris vocally at his most magnificent as the *Walküre* Wotan (the cut and thrust of argument, the black depths of despair may escape him, but the sonorous richness and musicianly shaping of his Farewell are currently unmatched); [illegible] Gwyneth Jones as Brünnhilde, more uneven than ever but pulling off some typically generous passages at the last. With Haitink on [illegible] form, [illegible] seemed, [illegible] vocally less impeccable moments, an evening of bel canto Wagner.

Max Loppert

In addition to the two complete *Ring* cycles there are a couple of extra performances of *Das Rheingold*, the production fresh to London this autumn. At the first of them on Saturday a new Wotan took the stage and immediately seized both the role and the whole opera by the throat.

John Tomlinson is the resident Wotan at Bayreuth at the moment. In the opinion of many the English bass-baritone is the outstanding performer in the present cycle there, but this [illegible] the first opportunity that we have [illegible] to see him as Wotan in this country. The [illegible] of [illegible] timbre [illegible] well known here and the only weakness revealed by this particular role occurs at some top notes, when the voice loses quality on certain vowel sounds.

As a whole portrayal, it came across with tremendous panache. Every word tells and Tomlinson strides the stage a voracious Wotan, hungry for power and yet constantly gnawed [illegible] from the inside by the realisation of his own weaknesses. It was a performance that asked for positive support from [illegible] pit and Edward Downes, in his sole appearance as conductor of this *Ring*, gave the singer all the dramatic thrust he could have wanted.

Incidentally, a long queue for returns stretched down the road on Saturday and yet there were rows of empty seats inside. If that is a result of the Royal Opera's pricing policy, it is [illegible] a happy one.

Richard Fairman

Poul Elming: a most impressive Siegmund

TELEVISION

Prix Italia goes feminist

When you find yourself a year away from the 20th anniversary of your first Prix Italia you tend to ask why you keep returning to such an event. There are personal pleasures: while film critics have to keep traipsing back to the expensive horrors of Cannes, television critics are treated to a different town each year by the Italians, who are dab hands at festivals. This year the Prix Italia is in the quiet seaside town of Pesaro. In the evenings there are splendid concerts in cloisters or formal gardens, and a concentration of British broadcasting personnel the like of which you rarely find in Britain, all eager to discuss television.

But those are incidental attractions. The real reasons for returning are, first, to find out what the rest of the world considers to be its best television. Second, to see how British programmes compare. And third, to see whether there are any international trends. Some years ago this column reported from the Prix Italia on a sudden passion for programmes about the causes and horrors of the Second World War, occurring, it seemed, because of the arrival of the first generation of television department heads who could remember nothing about that war.

And this year? This year it seems clear that, all over the world, feminism is having a powerful effect upon television programmes, both fictional and non-fictional. Of course the feminist cause has been creeping into programmes for [illegible] 25 [illegible] a question [illegible]. Maybe [illegible] ond World War; you have to wait a generation before you begin to understand the full effect of phenomena which turn out to change our world. Whatever the reason, we are now seeing programmes which appear to assume not only that [illegible] have been [illegible], marginalised, and pretty well ignored over the centuries, but that [illegible] no [illegible] because... well, because they are women. And by extension, all that is wrong with the world [illegible] from men because... well, because they are not women.

The first drama to be shown [illegible] was [illegible] long Danish production called *Cecilia*. It [illegible] among [illegible] 19th century smallholders of Jutland, people, it seemed, much like Shetlanders, earning a tough living from sheep farming and knitting. It [illegible] beautifully [illegible], recalling Britain's own [illegible] *Blood*, with the same sort of authenticity in the rough clothes and crude housing. Mikkel, [illegible] physically [illegible] and locally important sheep farmer and middle-man in the stocking trade, who [illegible] a beautiful daughter: the eponymous Cecilia.

She falls in love with [illegible] local youth, [illegible] but Mikkel, a dominant husband and heavy [illegible], prevents the match. Worse, he promises [illegible] the second richest (and middle [illegible]) man in the area, and has the banns read. [illegible] out of her mind, [illegible] cancelled, and when [illegible] newly prosperous Esben returns from his travels, Mikkel ensures that he [illegible] with Cecilia, hoping this may bring her back [illegible] sanity. But Cecilia, [illegible] believes she is dead and in paradise, kills Esben in order that [illegible] may join her there. End [illegible] deeply depressing story.

Everything bad within it, from pride to jealousy, from the subjugation of the wife to the tethering of Cecilia like a goat, comes directly from Mikkel's overbearing [illegible]. Much the same [illegible] true of the next drama, from the other side of the world: Brazil's [illegible] *Canagaceiro's Revenge*. A bandit, [illegible] from prison, returns [illegible] a village [illegible] been humiliated [illegible]. While he [illegible] for [illegible] cowardly men of [illegible] village send him [illegible] beautiful 17-year-old virgin from the orphanage, reckoning that the bandit, who hasn't seen a woman for 10 years, will be so distracted that he will have his way with her and forget about revenge.

Actually the bandit and the girl fall in love and clip clop [illegible] sunset, but the only person who emerges with any credit is the plucky, beautiful, innocent, self-sacrificing orphan girl. Admittedly there [illegible] the bandit goes all limp and silly because [illegible] orphan [illegible] poetry [illegible] him; if you thought North American television drama was sentimental just wait till you [illegible] what the South Americans can do. But the point is that the male [illegible] emerge as uniformly macho or wimpish. Here once again there is no such thing as [illegible] male characteristic, let alone an admirable man.

> 'All over the world television is telling similar stories: [illegible] bad; [illegible] good'

[illegible] least the first British entry in the drama category was an outstanding piece of work, ITV's *A Murder Of Quality* with [illegible] magnificent cast (Denholm Elliott, [illegible] Ackland, Billie Whitelaw, David Threlfall and more) and a compact script by John le Carré from his own novel. Moreoever this seemingly conventional thriller has [illegible] things [illegible] about the English [illegible] structure. Yet here, again, the villain is of course a man, the victim is, of course, a woman, and one more set of masculine [illegible] (public school homosex[illegible]) [illegible] pilloried. Imagine anybody on television daring to mock lesbianism!

Another British production, *Proust* – [illegible] *Haussman*, [illegible] by Alan Bennett, staring Alan Bates and Janet McTeer (magnificent) and entered ironically by France [illegible] La Sept [illegible] co-pro[illegible], was more subtle. Even here, however, Proust is seen [illegible] domineering and egotistical while his housekeeper, *Celeste*, is angelically *selfless* and understanding.

Nor is the pattern confined to drama. The [illegible] example so far has [illegible] a [illegible] documentary, *La Cico*[illegible] in [illegible] a woman [illegible]ing a long prison sentence [illegible] interviewed by another woman in [illegible] tone of "Oh [illegible] poor, poor, thing" and urged to [illegible] "real" story of [illegible] murdered her husband. She cannot be sure, but she reckons her father may have committed [illegible] with her while she was unconscious, and her husband certainly made love [illegible] her after she had taken Valium. She [illegible] sure because he left [illegible] sperm on her – a [illegible] which she declares "disgusting", though she [illegible] not sure why. She also [illegible] made [illegible] look at [illegible] photographs [illegible] her husband's dead body [illegible] debasing, [illegible] horrible". These are the words of a woman who gunned down her husband with a rifle, and [illegible] told [illegible] how much she enjoyed being [illegible] prostitute. The programme still conveys the clear notion that *she* is the victim.

You get the picture. If the Prix Italia viewing rooms give an [illegible] impression then, all over the world television is telling similar [illegible]: men bad, women good. A Martian [illegible] judging humankind from these programmes would never dream [illegible] our race could produce males such as Jesus Christ [illegible] Albert Schweitzer nor women such as Lucrezia Borgia or Myra Hindly. Surely Shakespeare's view of the world with Goneril and Regan as well as Cordelia, Kent [illegible] well [illegible], is nearer [illegible] reality [illegible] it than the [illegible] one-sided picture which [illegible] sion is now delivering in the second age of feminism.

Christopher Dunkley

Rookery Nook

GREENWICH THEATRE

Almost the best scene in this production of Ben Travers' old farce comes at the end and is not in the text. It consists of the entire cast singing and dancing "That's My Baby" with [illegible] and enthusiasm that do not yet permeate the show as a whole.

Only when one sees all ten of them together does it fully register what an array of characters and costumes there has been.

Rookery Nook has always been referred to [illegible] a farce ever since it was first performed in the 1920s. Yet the description is [illegible] shade misleading. Certainly it has farce in it, but the play is more of a jolly English romp with elements of drawing room [illegible] thrown in.

To be sure, there are bedroom doors leading off-stage [illegible] scenes [illegible] (very slight) undress, but anything to do with sex is [illegible] long way off. The fastest scene is made [illegible] simply of a bunch [illegible] scrummaging for [illegible] parcel of clothes as if it were [illegible] rugby ball. I doubt if the French would recognise it as farce [illegible] all.

So it is [illegible] very English piece with [illegible] touch of P G Wodehouse, though [illegible] a lower social level. [illegible] such it remains endearing, though I had forgotten how slowly it [illegible] in [illegible] programme [illegible], [illegible] the artistic director [illegible] Greenwich, almost apologises for putting it on. The aim, he admits, [illegible] the theatre. The trouble with this approach, however, [illegible] that it [illegible] on [illegible] play being very well done.

Under Francis's [illegible], there [illegible] no individual faults. Richard Garnett's Clive, the taller of the two cousins pursuing the same girl, is all [illegible] *one could expect of* [illegible] *handsome* [illegible] man.

Jim Dunk as Putz, the step-father of the girl, is a thoroughly ferocious stock stage German and there is [illegible] splendid caricature of a caricature [illegible] of [illegible] stock [illegible] daily from Linda Broughton. [illegible] a remarkable walk, especially when going upstairs.

One could go through the rest of the cast [illegible] much the same kind [illegible] praise. [illegible] by [illegible] Gruenberg are a delight and [illegible] is nothing [illegible] with Di Seymour's country-house [illegible] playing does [illegible] quite hang together.

Perhaps it needs [illegible] little more pace, or perhaps after all this time we are finally growing tired [illegible] Travers.

Malcolm Rutherford

Alastair Muir

Christopher Godwin and Richenda Carey

Noh Theatre

QUEEN ELIZABETH HALL

"Swiftly the [illegible] beyond recall./ Solemn the still news of this spring morning." The lines are originally Chinese, not Japanese, but they catch the dual sense of time that gives Noh Theatre some of its haunting strangeness. A story's action will proceed slowly, slowly; an emotional passage will stop the action altogether; and then a [illegible] act, occurring at [illegible]thing like real-life speed, will seem shockingly fast.

Clement Crisp reviewed the first programme in Saturday's [illegible]. Programme [illegible] had the same [illegible]: a serious two-act drama; then a quicker, shorter comic tale; and finally a more poetic final drama. I found [illegible] final work the most beautifully eloquent [illegible] either programme. In this case it was *Shokun*, the story [illegible] old villagers whose daughter has been sent to the king of the northern [illegible] a peace-offering.

Very affecting is the scene in which [illegible] parents quietly [illegible] grief [illegible] neighbour. We have nothing to take in [illegible] their stillness, their melancholy voices, [illegible] beautifully designed [illegible] and wigs, and [illegible] masks, [illegible] which time [illegible] all emotion leaving nothing but age and character. Only the king has any speed. [illegible] charges [illegible] jumps [illegible] lands bang! seated on the floor. He is all violence, and is in drastic contrast not only to the parents but [illegible] daughter Shokun – who, stationary centre-stage beneath [illegible] weeping willow, her mask [illegible] unlined visage of white-faced beauty, is an emblem of purity.

Most alien to the occidental is [illegible] opening two-acter, *Fujito*, [illegible] is the longest item, stylistically less concen[illegible] and visually [illegible]. But the more [illegible] attend to Noh, the more character it reveals.

Fujito tells the story of a new ruler who is confronted with an old woman [illegible] accuses him of killing her innocent son. He denies; but then confesses; [illegible] up prayers for the dead man's spirit. The ghost [illegible] recounts his death but relates that the prayers have appeased him and brought salvation.

There are many piercing moments here, none more telling than the gesture for the old woman (masked) in which, [illegible] a hand in sorrow [illegible]. The fingers, as always in Noh, are not parted. The dynamic is muted; [illegible] hand does [illegible] reach her face; but, amid so much stillness, [illegible] slight movement [illegible] like an involuntary tear falling down [illegible]. We see the sorrow that haunts her life. Here, as so often in Noh, [illegible] distilled and preserved in amber.

Alastair Macaulay

Mal Waldron

JAZZ CAFE

The blue but sobering piano of Billie Holiday's old [illegible] Mal Waldron made for [illegible] gloomy night's entertainment [illegible] Camden's Jazz Cafe earlier this week. The tremendous background chatter which usually prevails here didn't help matters. Playing as an unfamiliar trio with drums (Brian Abrahams) and bass (Arnie Somogyi) hired [illegible] the night [illegible] for some uncertainty too, but 65 year old pianist/composer Waldron seemed distant all the same: no introductions, no hellos, goodbyes.

Chain smoking the while, he had made [illegible] start, prodding at the keyboard in a disinterested way, and rarely looking up to his accompanists. Thus it took [illegible] couple of numbers for him to [illegible] out his message but a considered improvisation eventually emerged from a Morse [illegible] interpretation of standards.

He is often compared to [illegible] and Powell, but Waldron's sound [illegible] more sober [illegible] these [illegible]. On this night he worked up *his* [illegible] slowly, gradually gathering momentum, giving Abrahams and Somogyi little room for soloing and keeping [illegible] dynamics even. On this showing it is easy to hear why he has made a name in film and stage scores.

[illegible] removed from his [illegible] did [illegible] sound I felt, for once, that this jazz might [illegible] better heard in [illegible] hall. Only towards [illegible] end [illegible] first [illegible] did sufficient positive energy find [illegible] the playing to turn some heads away from talk [illegible] day in the office. Abrahams, an excellent drummer and leader in [illegible] own right, was even given [illegible] briefly.

But it was a shortlived glow: a glance at the wristwatch and glum faced, he was [illegible].

Garry Booth

INTERNATIONAL ARTS GUIDE
TODAY'S EVENTS

AMSTERDAM

Muziektheater 20.00 Hartmut Haenchen [illegible] Richard [illegible] production of Tchaikovsky's Mazeppa, with a [illegible] Leiferkus, Anatoly Kotscherga, Kevin [illegible] and Lyubov Sharnina. Repeated on Sat and next [illegible] (6255 455/credit card bookings 6211 211)

BARCELONA

[illegible] Teatre del Liceu [illegible] Ballet [illegible] Ullate in works by [illegible], Hans [illegible] and [illegible] Ullate. [illegible] tomorrow and Fri (412 1466)

BERLIN

Philharmonie Kammermusiksaal [illegible] Nikolaus Harnoncourt [illegible] the Berlin Philharmonic [illegible] in an all-Mozart programme, repeated [illegible], Fri [illegible] Sat (West Berlin 2614 [illegible]) **Schlosspark Theater** 20.00 First night [illegible] Alfred Kirchner's new production of Mozart's Der Schauspieldirektor, with the RIAS Jugendorchester [illegible] Lang. Co-production with the Deutsche Oper. Repeated on Fri and Sat (West Berlin [illegible] 515)

BRUSSELS

Palais [illegible] Beaux [illegible] 20.00 Flanders Festival: Esa-Pekka Salonen [illegible] the Philharmonia Orchestra in [illegible] Knussen's Third Symphony, Stravinsky's Firebird and [illegible] Concerto, with Yuri Bashmet. Tomorrow: [illegible] Liang Lin plays [illegible] Violin [illegible] (512 [illegible])

CHICAGO

Lyric Opera 19.30 First night of Elijah Moshinsky's new production [illegible] Antony and Cleopatra by [illegible] Barber, [illegible] by Richard Buckley [illegible] designed by [illegible] Yeargan. [illegible] and Richard [illegible] the [illegible] roles, with Jacque [illegible]. Further performances on Sep 28, Oct 1, 5, 8, 11, 14, 18 (332 2244)

COLOGNE

Philharmonie [illegible] Helmut Müller-Brühl [illegible] Cologne Chamber [illegible] in an all-Mozart programme, including [illegible] Piano [illegible] Jürg Demus. Fri and [illegible] the Cologne [illegible] Symphony [illegible] in Schumann's [illegible] Symphony and [illegible] Four [illegible] Songs, [illegible] at 11.00 and Mon: James Conlon [illegible] Gürzenich [illegible] in Mozart's Symphonies [illegible] and 41, plus Violin [illegible] in [illegible] major with soloist Mayumi Fujikawa (2801) **Opernhaus** 19.30 James [illegible] conducts Willy Decker's new production [illegible] Der fliegende Holländer, [illegible] role, [illegible] as Senta, [illegible] Erik and Oddbjorn Tennfjord [illegible]. Further performances [illegible] 2, 5, 11. Fri and Sun: Conlon [illegible] Don [illegible] (221 [illegible]) **Kammerspiele** [illegible] Strindberg's Miss Julie, new production [illegible] by Dimiter Gotscheff, repeated on [illegible] and [illegible] Tues. [illegible] in Schauspielhaus: Torsten Fischer's [illegible] production [illegible] Lysistrate by Aristophanes (221 [illegible])

DRESDEN

Semperoper [illegible] Zimmer [illegible] Joachim Herz's production [illegible] Osud, [illegible] as Zivny, repeated [illegible] Sun. Fri: Giuseppe Sinopoli [illegible] Staatskapelle in Bruckner's [illegible] Symphony [illegible] Concerto, [illegible] Lorenz ([illegible] 731). [illegible] and Fri in Schauspielhaus: [illegible] Threepenny Opera ([illegible] 731)

FRANKFURT

[illegible] Oper [illegible] plays piano music by [illegible] and Haydn, repeated on [illegible]. In the Hindemith [illegible] 20.00, [illegible] Tel Aviv University plays string quartets by Shostakovich, Silvestrov, Mordecai [illegible] and [illegible]. Tomorrow and Sun: Thomas [illegible] plays [illegible] violin [illegible]. Fri: Heinz Holliger [illegible] his [illegible] music (1340 400). The new season at the Frankfurt Opera [illegible] Oct 6 [illegible] William Forsythe's [illegible] Impressing [illegible] Czar. The first new production is La traviata on [illegible] 11, with Margaret Marshall as Violetta ([illegible]) **Bockenheimer Depot** 19.30 [illegible] Iphigenie auf Tauris. Daily till Oct [illegible] except [illegible] Tues (236061) **English Theater** [illegible] 20.00 Somerset Maugham's The [illegible], directed by Martin Harvey. Daily except Mon ([illegible])

GENEVA

Grand Théâtre 20.00 [illegible] Thielemann [illegible] Pierre [illegible] production of Der fliegende Holländer, with [illegible] by José van Dam, Linda Plech, Ben Heppner and [illegible] Tschammer. Last performance on [illegible] (212311). Tomorrow in Victoria [illegible]: Armin Jordan conducts Fauré's Requiem (292511)

HAMBURG

Staatsoper [illegible] Gerd [illegible] Harry Kupfer's production of [illegible], with Keith Ikaia-Purdy in the title role and Kathleen Kuhlmann [illegible] Charlotte (also on [illegible] 1 [illegible] 5). Tomorrow and [illegible] Luisi conducts La bohème, with Miriam Gauci as Mimi and Francisco [illegible] Rodolfo (351721)

LONDON

Barbican 19.45 Jiri Belohlavek conducts the [illegible] in [illegible] the overture [illegible] Homeland, the [illegible] with Garrick Ohlsson and the New World Symphony. Fri: [illegible] Seventh Symphony [illegible] Fried (071-638 8891) [illegible] 19.30 [illegible] Ajmone-Marsan [illegible] Jean-Claude Auvray's production [illegible] La bohème, [illegible] Tierney as Mimi, Joseph [illegible] and Alan Opie as Marcello, [illegible] Fri. Tomorrow: Billy Budd. [illegible] The [illegible] (071-836 3161) **[illegible] Elizabeth Hall** [illegible] Siobhan [illegible] Company, with the [illegible]. The programme [illegible] Different Trains, [illegible] a score by [illegible] Reich. [illegible] and Fri ([illegible])

MUNICH

[illegible] [illegible] Wright's production [illegible] Sleeping Beauty. Tomorrow: [illegible] Hildegard [illegible] as [illegible]. Fri: Boris [illegible] Zauberflöte. [illegible] with Julia Varady as Abigaille (221316) **Herkulessaal [illegible]** 20.00 Christoph [illegible] Munich Symphony [illegible] in music [illegible] Koetsier, Tchaikovsky and [illegible]. Fri and [illegible] Sergiu Celibidache [illegible] Milhaud, Debussy [illegible] Franck ([illegible] 8614) **Prinzregententheater** 19.30 Shakespeare's Coriolanus directed by [illegible] Berkoff, [illegible] Fri, [illegible] Sun: Schiller's Maria [illegible] (225754) **Gärtnerplatztheater** [illegible] Carl Zeller's operetta [illegible] Vogelhändler. Tomorrow: [illegible] operetta by Franz von Suppé. Fri: The [illegible] (201 [illegible])

NEW YORK

Metropolitan Opera [illegible] Un ballo in [illegible] with Leona [illegible] as Amelia, [illegible] Dvorsky as Riccardo, [illegible] as Renato, Sumi Jo as [illegible] and [illegible] Toczyska as Ulrica, repeated [illegible]. Tomorrow: Die Zauberflöte. Fri: Don [illegible] (362 [illegible]) **[illegible] York [illegible] Theater** 20.00 Scott Bergeson [illegible] John Copley's production [illegible] Le nozze di Figaro, [illegible] led by Elizabeth Hynes, Dean [illegible] and William [illegible]. Tomorrow: The Most Happy Fella. Fri: [illegible] Butterfly. [illegible] Pearl [illegible] (870 5570)

PARIS

Opéra Bastille 19.30 First night [illegible] new production of [illegible] by Myung-Whun Chung and [illegible] by Jean-Pierre Miquel. The cast includes Thomas Moser, Inga [illegible] and [illegible] Focile. Runs till Oct [illegible] next performance on Sat. Tomorrow: Le nozze [illegible] Figaro (4001 1616)

STOCKHOLM

Royal [illegible] 19.30 Leif [illegible] production of Carmen, sung in [illegible]. Tomorrow: Johann [illegible] Naumann's [illegible] opera Gustav [illegible] (1786), with a [illegible] by Nicolai [illegible]. Fri: Die Zauberflöte. [illegible] Kenneth MacMillan's production [illegible] and Juliet staged by Nicholas Georgiadis (248240) **Konserthuset** 19.30 Kurt Sanderling [illegible] Stockholm Philharmonic [illegible] in [illegible] Ninth Symphony, with [illegible] Gunnel Bohman, Monica Groop, Seppo Ruohonen and Ulrik Cold. [illegible] tomorrow at 19.30 and [illegible] 15.00 (244130)

European Cable and Satellite Business TV

(all [illegible] CET)

MONDAY TO FRIDAY

Eurosport
0600-0630 [illegible]

[illegible]
0730-0800 Moneyline
1230-1300 [illegible] Morning
1330-1400 [illegible]
2000-2030 [illegible] Today – a joint FT/CNN production [illegible]
2300-2330 World [illegible] Today
0100-0130 Moneyline

[illegible] (Tues) [illegible] Europe Report – [illegible] FTTV.
[illegible] FT [illegible] Weekly – [illegible] round-up of [illegible] news [illegible] and [illegible]
[illegible] (Thurs) Talking [illegible]
1200 [illegible] Report
1130, 1730, [illegible] (Thurs) FT [illegible] Weekly

SATURDAY

CNN
[illegible] Moneyline
[illegible] This [illegible] – a joint FT/CNN production
[illegible] Moneyweek
[illegible] World [illegible] This [illegible]
[illegible] Money

SUNDAY

Superchannel
[illegible] FT [illegible] Weekly
[illegible] 2030, 0030, 0230 FT [illegible] Weekly

CNN
0710-0740 Moneyweek
[illegible]
[illegible] This [illegible]
1940-2000 Inside [illegible]

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, [illegible] SE1 9HL
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Wednesday September 25 1991

Palestine and the UN

PREVARICATION is all too often the first and last [illegible] of the Middle Eastern politician [illegible] with a difficult decision, but neither the Palestinians nor the Israelis ha[illegible] anything [illegible] gain by further delay. October, the month chosen by the US and the Soviet Union for [illegible] Middle East peace conference, is only a week away. Mr [illegible] Baker, the US secretary of state, [illegible] already made [illegible] [illegible] in the region [illegible] the Gulf war and [illegible] considering an eighth. He [illegible] chafing to issue the invitations and embark [illegible] the much more serious busi[illegible] of forging a lasting [illegible] [illegible].

[illegible] Israeli government [illegible] already given its answer [illegible] Baker; it will [illegible] the confer[illegible], but only if the Palestine Liberation Organisation [illegible] the Arab [illegible] of [illegible] Jeru[illegible] are not represented. Now [illegible] is [illegible] turn [illegible] the [illegible]tinians [illegible] reply. Broadly, Mr [illegible] allies have suggested [illegible] [illegible] take part [illegible] joint delegation with Jordan [illegible] choose representatives who fulfil [illegible] – without abandoning [illegible] polit[illegible] demands or their right in principle [illegible] whomso[illegible] they want.

Demeaning acceptance

[illegible] evidently [illegible] no right [illegible] the delegates [illegible] tiating partners, and it [illegible] demeaning for [illegible] PLO to [illegible] write [illegible] formal role in [illegible]. [illegible] the [illegible] [illegible] to go anyway rather [illegible] another chance for [illegible]. They should accept for [illegible] reasons. First, the [illegible]ment [illegible] representation [illegible] largely procedural; [illegible] likely Palestinian delegates support [illegible] PLO anyway and none would give up [illegible] Jerusalem. Second, the Palestinians [illegible] little choice; Israel would be [illegible] to go ahead without them, particularly if the [illegible] treaty with Syria.

There [illegible] a glimmer [illegible] encouragement for Mr Baker from Algiers, [illegible] Palestine National Council (the parliament-in-exile) is meeting this week. Mr [illegible] Arafat, [illegible] PLO [illegible], and his [illegible]ates seem to [illegible] need to co-operate with the US administration following the disastrous PLO support for Iraq during the Gulf [illegible] and the [illegible] of the disintegration [illegible] the Soviet Union. Even Mr Farouk Kaddoumi, the PLO "foreign minister", who [illegible] long been suspicious [illegible] American motives in the Middle East, has recognised that the PLO must make painful [illegible]promises and do its best to pro[illegible] conference.

Firm line

[illegible] sort of Palestinian flexibility can be attributed partly [illegible] the firm line that the US administration [illegible] taking against [illegible] in the occupied territories in [illegible] last [illegible]. President Bush [illegible] Mr [illegible] delay [illegible] granting [illegible] US guarantees for $10bn in [illegible] finance [illegible] immigration [illegible] Israel, and they [illegible] to [illegible] that American [illegible] not [illegible] build Israeli houses [illegible]. Mr [illegible] should not yield [illegible] the right-wing Israeli government on [illegible] issue of [illegible]tlements, because [illegible] betray both [illegible] – from whom [illegible] requesting compromises on [illegible] conference – [illegible] principles of international law [illegible] order on which he fought the Gulf [illegible] against Iraq. [illegible] resolutions require Israel, in exchange for [illegible] neighbours, to [illegible] from occupied territory won during [illegible] war.

The increasing prominence [illegible] UN in the aftermath [illegible] the [illegible] President [illegible] call this [illegible] for [illegible] General Assembly [illegible] repeal [illegible] resolution equating [illegible] all [illegible] more timely. [illegible] that [illegible] try and fail [illegible] the resolution by the [illegible] two-thirds majority of [illegible] would be worse than doing nothing, but Mr Bush obviously [illegible] enough African [illegible] eastern European UN members [illegible] changed their minds to make [illegible] probability. It is not just [illegible] the [illegible] is [illegible] and ineffective; for the past 16 years it has provided [illegible] with [illegible] valid excuse for rejecting the UN as [illegible] intermediary and upholder of justice in the Middle [illegible]. The [illegible] excuses [illegible] surely run out.

Churches speak

THE normally mild-mannered Cardinal Hume, archbishop of Westminster, came out fight[illegible] yesterday. His fists flailed [illegible] the Conservative government's policy of encouraging schools [illegible] opt out of local authority control.

This [illegible] courage. The Roman Catholic archbishop was speaking only [illegible] days [illegible] the Anglican archbishop [illegible] Canterbury, Dr George Carey, brought Conservative [illegible] upon his own head following a speech with a not dissimilar theme.

Dr Carey was castigated for a throwaway line linking the vandalism in Newcastle to social deprivation, but that was not his subject. [illegible]. He was [illegible] victim [illegible] a puffed-up flurry [illegible] political indignation [illegible] time when election fever was running high.

What both churchmen [illegible] speaking about is [illegible] church responsibility. They deplore [illegible] notion [illegible] purpose [illegible] merely [illegible] for careers, although they acknowledge [illegible] value [illegible] that. Their concern [illegible] for [illegible] individual; they naturally, [illegible] rightly, [illegible] the inculcation [illegible] spiritual [illegible] regarded as a [illegible] aim of teaching. This principle is enshrined in the 1988 Education Act; [illegible] clerics [illegible] see it put [illegible] practice.

It [illegible] reasonable for them [illegible] doubt on [illegible] weight given to training [illegible] vocational education, [illegible] to challenge [illegible] widespread view that [illegible] be judged by their examination results alone. That [illegible] their job. Cardinal Hume expressed concern for the [illegible] of children in less popular schools, when [illegible] current political and therefore [illegible] favours popular, opted-out schools. H[illegible] quoted [illegible] Catholic principle of "subsidiarity" when arguing [illegible] a role for local [illegible] and against centralising control [illegible] schools.

This is, perhaps unfortunately [illegible] him, in [illegible] with Labour policy. [illegible] Conservative education secretary, Mr Kenneth Clarke, was obliged [illegible] disagree with [illegible] archbishop yesterday. Good. The Anglican Church was the primary progenitor [illegible] in England. If it and its Catholic parent did not speak [illegible] we would [illegible] poorer [illegible] their [illegible] – especially when, [illegible] in this [illegible], they happen [illegible] right.

Chasing buttons

THE IDEA behind [illegible] poll [illegible] every adult should contribute [illegible] local government spending. Not [illegible] pay the full amount – rebates are available for those on low incomes, [illegible]. But apart from a [illegible] exceptions, everyone has to pay a minimum contribution [illegible] 20 per cent of their local poll tax. This includes people on income support, and their [illegible] by [illegible] average poll [illegible] provide the wherewithal.

[illegible] result [illegible] predictable. The additional benefit [illegible] finds [illegible] uses in [illegible] already strapped [illegible] cash – particularly [illegible] the local poll [illegible] higher than [illegible] national average. (A similar [illegible] noted [illegible]rity [illegible] include money [illegible] mortgage payments.) [illegible] are forced [illegible] clog [illegible] pursue people who have [illegible] earnings to attach, no savings [illegible] sequester and [illegible] seize. [illegible] who have paid their poll [illegible] fulminate [illegible] they have [illegible] to [illegible] non-payers.

The Audit Commission [illegible] that collecting [illegible] 20 per cent minimum [illegible] £6 [illegible] head more than it brings in. [illegible] for abolition is clear, [illegible] government [illegible] conceded by restoring 100 per [illegible] for [illegible] new council tax. Abolition commands as much support from the Tory shires [illegible] it [illegible] from the Labour [illegible] and towns. But the Treasury [illegible] to sanction abolition [illegible] the final year [illegible] the poll [illegible] without the politically unacceptable *quid [illegible] quo* [illegible] clawing [illegible] benefit.

Chasing people who can't pay rather than won't pay [illegible] costly and [illegible] diversion of scarce time and resources [illegible] much more important [illegible] of making Mr Heseltine's new council [illegible]. The government should find some way [illegible] getting rid of [illegible] distraction if [illegible] plans for [illegible] government are not [illegible] be blown [illegible] course.

John Lloyd on the latest Yavlinsky plan for Soviet economic reform

Time to do or die

From the 27th floor of the former Comecon building, Mr Grigory Yavlinsky gestures down at [illegible] toy cars moving up Kalinin Prospect, and the sight of Muscovites trudging about the streets.

"I put it like this. I told the representatives [illegible] the republics – if you jump from this height, I guarantee you will end up as [illegible] mess. If you stay in the room, I can't guarantee you happiness, but you have a chance. So it is with an [illegible]nomic agreement. If you don't [illegible] it, you will [illegible] one terrible [illegible]. If [illegible] sign it, I can't tell you it will be paradise."

Mr Yavlinsky, giving an interview in [illegible] break between negotiations with representatives of the republics and meeting President Mikhail Gorbachev, [illegible] exhausted, his normal ebullience cramped by tiredness. It [illegible] Mr Yavlinsky who largely bears the burden of seeking to construct, from [illegible] ruins [illegible] the Soviet Union [illegible] August 19 putsch, something which might still be called a union – though probably not Soviet, and certainly [illegible] socialist. ("Call it [illegible] you [illegible] – union, community, [illegible] want, or a table or a chair [illegible] shoe. [illegible] matter, [illegible] long [illegible] it works.")

Mr Yavlinsky has, in formal [illegible] least, achieved the position which he has long needed to put his pro-market [illegible] co-author [illegible] "500-Day Programme" of one year [illegible] he [illegible] it buried by [illegible] then Ryzhkov [illegible]ment [illegible] by [illegible] president [illegible] had initially supported it; [illegible] co-author [illegible] the "Window of Opportunity" programme for foreign-assisted reform, drafted with American scholars, [illegible] saw it [illegible] by [illegible] president, [illegible] could not [illegible] Pavlov govern[illegible] to back it. Now, Mr Yavlinsky [illegible] near the top [illegible] the union government, [illegible] the conservatives have been routed. [illegible] – [illegible] the country's – moment of truth: [illegible] economic reform still a [illegible]sibility?

[illegible] deputy chairman [illegible] four-strong leadership of the Committee for the Manage[illegible] Economy – [illegible] body [illegible] what there [illegible] government – he [illegible] initiated talks with [illegible] other repre[illegible] of [illegible] 15 former [illegible] republics on [illegible] they will agree to by way of [illegible] common economic framework.

Yesterday, he claimed some success. [illegible] refined [illegible] 15-page draft agreement into five main headings – a banking system, [illegible] financial system, taxes, customs, and prices – and has [illegible] on [illegible] two. If instituted, this would [illegible] the participant republics to [illegible] banking union on the lines of the US [illegible] Reserve – "a [illegible]pletely independent, professional body, [illegible] something run by representa[illegible] the republics" – under which there would [illegible] single approach to monetary and [illegible] policy; [illegible] the printing of money; to interest rates [illegible] by the republics' [illegible] banks; [illegible] disposition of gold and currency reserves; and to the reserve requirements [illegible] rules [illegible].

That, he said, was hard work. But [illegible] more [illegible] come which will be as hard for the independent-minded repub[illegible] swallow. They [illegible] limits on [illegible] budgets; [illegible] finance [illegible] jointly ; [illegible] print their own money only if it [illegible] rouble and does not operate [illegible] framework [illegible] financial systems; [illegible] pre[illegible] common labour and social standards; [illegible] existing [illegible] barriers; and [illegible] move rapidly [illegible].

Mr Yavlinsky's programme [illegible] tough, and [illegible] require tough policing [illegible] it [illegible] mean something. [illegible] core [illegible] belief [illegible] there [illegible] exists [illegible] opportunity to co-ordinate [illegible] move by all participating republics to the market economy; and that if they do [illegible] agree to [illegible], they will retreat [illegible] a variety [illegible] different autarchies, with embattled leaderships holding on to [illegible] property which has simply been renamed "Ukrainian" [illegible] "Armenian" [illegible] it was "All-Union".

"[illegible] is actually one [illegible] the hardest things – the question [illegible] property. I say [illegible] them [[illegible] representatives], [illegible] want [illegible] get the [illegible] yourselves [illegible] you want [illegible] pass [illegible] your citizens? [illegible] do you [illegible] it [illegible] go? And they say [illegible] me: 'Why are you talking to us like this? [illegible] are independent republics.' I say, because this [illegible] the central question, someone must put it."

[illegible] surprisingly, Mr Yavlinsky [illegible] widely seen as the [illegible] [illegible] (with Mr Gorbachev) of [illegible] union. [illegible] his [illegible] mists regard him [illegible] tragic figure, [illegible] great idea whose time has [illegible]; [illegible] failed coup, they argue, destroyed not only the conservatives, but the union too. [illegible] Yavlinsky's answer [illegible] that there is, indeed, [illegible] union.

"In the negotiations, I [illegible] again [illegible] again, the republics [illegible] not negotiating [illegible]. Certainly, I am not [illegible] centre. They are actually negotiating with themselves. It [illegible] they who will form [illegible] union, if there is to be one; and the content of [illegible] is a [illegible] sion to co-operate."

But, [illegible] he confesses, he is [illegible] with [illegible] and offi[illegible] who, [illegible] they may [illegible] his analysis, [illegible] conflicting [illegible]sures. Of the 15 teams of [illegible]sentatives, three – from the now-independent [illegible] of the Baltics – [illegible], in the case of Latvia, nego[illegible] who [illegible] hope to [illegible] an [illegible] because of [illegible] political reali[illegible]. The Ukraine, the largest republic [illegible] Russia, is also "neither saying yes, nor saying no; they are determined to make [illegible] should be [illegible] story into [illegible] long one".

Many [illegible] the republics, with Ukraine in the lead, met in the Estonian capital [illegible] Tallinn at [illegible] weekend [illegible] sign non-binding interstate agreements on trade, monetary policy, [illegible]munications and transport – a move seen explicitly as [illegible] alternative to Mr Yavlinsky's efforts.

It is [illegible] measure of the chaotic and opaque quality of present Soviet politics [illegible] ministers from these same republics, indeed, sometimes the same ministers, have also agreed with Mr Yavlinsky [illegible] essential [illegible] in *his* programme.

Even Russia, which [illegible] been the most enthusiastic [illegible] a union, [illegible] increasingly swayed by politicians and [illegible] that it [illegible] now too late to again use the wealth from Russia's raw materials [illegible] subsidise a union – [illegible] any kind.

On Monday, the Russian cabinet met in emergency [illegible] to [illegible] its [illegible] prime minister, Mr Ivan Silayev, of little short of treachery. Mr Silayev, wearing [illegible] other [illegible] as chairman [illegible] the [illegible] for the Management [illegible] the National economy, [illegible] proposed that [illegible] taking union property and [illegible] into Russian ownership [illegible] rescinded – [illegible] which he himself [illegible] helped draft only a [illegible] before.

Mr Silayev, not surprisingly, appears to [illegible] out. He [illegible] resigned [illegible] Russian prime minister (though has agreed to continue for the next month until [illegible] replacement is [illegible] not, it seems, become [illegible] inter-republican economic committee, which will [illegible] all-union [illegible] once [illegible]ment [illegible] signed.

Mr Yavlinsky [illegible] yesterday that Mr Silayev's position [illegible] "not clear". [illegible] he [illegible] job [illegible] chairman, he said: "I would do so if I agreed with [illegible] agreement reached, and [illegible] importantly, if [illegible] governments [illegible] republics who [illegible] part of [illegible] ment supported my appointment. I [illegible] support, [illegible] just of [illegible] if I [illegible] instituting [illegible] policy which [illegible] many people unemployed in Moldava, I have to say that I am doing so with [illegible] support [illegible] the Mol[illegible] government."

Mr Yavlinsky [illegible] under pres[illegible] president [illegible] agreement through [illegible] scheduled meeting [illegible] Union Supreme [illegible] new presi[illegible] spokesman, Mr Andrei Grachev, [illegible] yesterday [illegible] Mr Gorbachev hoped [illegible]sentatives [illegible] Mr Yavlinsky will have agreed the draft in principle, so that it could then [illegible] to [illegible] republican parliaments and presidents.

It could fail at any of [illegible] number of stages; or it may end up as only an agreement between Russia and the Central Asian states – though then, Russia would be expected to be a milk-cow to these desperately poor republics.

The consensus among lead[illegible] attending a [illegible] in Moscow on Monday was [illegible] the agreement [illegible] be signed, but that none of [illegible] republics would, [illegible] could, live [illegible] to [illegible] terms; [illegible] nationalism had gone too far, and [illegible] its logic ran against all [illegible] Mr Yavlinksy was seeking to [illegible].

This is his third, and most wearying, attempt to take his ideas from the paper into practice. But he will be very lucky indeed [illegible] he [illegible] by [illegible] argument, push [illegible] through.

Yavlinsky: will be lucky [illegible] his plan [illegible]

Staking a claim

John Plender on the ownership of pension scheme surpluses

Who owns the huge surpluses that have been piling up in [illegible] pension funds over the past decade? The question, which has been raised repeat[illegible] in the courts of late, now confronts [illegible] Occupational Pensions Board (OPB) in particularly [illegible] form as [illegible] adjudication committee today considers Lucas Industries' plans to claw [illegible] £90m from the surplus in its pension fund.

The implications run far beyond the immediate concerns of the motor components and aerospace group. The Lucas application to modify the trust deed is not only one of the earliest full submissions to the government-appointed pensions watchdog under newly amended regulations covering the treatment of surpluses; it has also been challenged by a former trustee of the fund on the most fundamental grounds. The outcome could thus have implications for the valuation the stock market places on the pension fund surpluses of other companies, as well as the relative rights of employers and pension fund beneficiaries.

Broadly speaking, the OPB is prepared to sanction the clawback of surpluses where the move is accompanied by an improvement in benefits, the trustees are independently advised and the package is agreed by the employees. In the case of Lucas there is no question [illegible] being significantly improved. Agreement [illegible] also reached between the company, the unions and employees on the the pension fund consultative committee, after what a company spokesman yesterday described as "a meticulous process" of consultation.

But the OPB also has to be satisfied that the company has a respectable claim to a share of the surplus in the sense that it was committed, in the period when the surplus was accumulating, to meeting the balance of the cost of pension liabilities after the employees had contributed a fixed percentage of pay into the fund. Enter Mr Simon O'Leary, a former trustee of the Lucas staff pension fund of 14 years' standing, and now a Lucas pensioner, alleging a breach of trust.

The OPB has received a letter from Mr [illegible]'Leary in which he states that the former Lucas chairman, the late Sir Bernard Scott, [illegible] also chaired the staff pension trustee board, warned the trustees that the [illegible] would not be prepared to finance any shortfall that might occur in the fund; and that in the event of a shortfall some solution other than extra money from [illegible] company would have to be found. [illegible] same [illegible] was also repeated by another director, who was also a trustee, several years later, according to the letter.

As far as Mr O'Leary is concerned, that suggests that the Lucas pension fund, far from being a "balance of cost" scheme in any meaningful sense, was no more than [illegible] repository for the deferred pay of the employees. And in purely practical terms that is certainly how it has looked since Lucas ceased to contribute to the fund in 1985, while employees have continued to pay up.

Mr O'Leary also feels that the surplus should be used to raise benefits towards the ceilings permitted by the Inland Revenue. And he argues that it is imprudent for the fund to give away £150m (before £60m of tax) for a promise from the employer which he believes could prove worthless [illegible] time when the money might anyway be needed [illegible] comply with the European Court of Justice decision in *Barber v Guardian Royal Exchange* on equalising male and female retirement ages.

The OPB thus confronts a difficult decision. Mr O'Leary, meantime, has drawn attention to the reality that sometimes exists behind seemingly benevolent pension fund paternalism. For while today's Lucas management claims to take a different view, there is not much doubt that many large companies regard the pension fund as little more than an investment trust subsidiary. While some have been prepared to make good shortfalls with lump sum payments into the fund, such payments have often been motivated primarily by a desire to shelter profits from tax in a gross fund.

The value of corporate guarantees of solvency can also be questioned. Mr Bryn Davies, a consulting actuary working mainly for trade unions, argues that in practice the promise does not provide the absolute guarantee it is sometimes made out to be. This is because most employers have a power under the trust deed to cease contributing to the scheme. The Inland Revenue, meantime, has exacerbated the problem of surpluses by limiting tax relief where assets exceed liabilities by a mere 5 per cent – an absurdly narrow margin when actuaries are valuing over periods of up to 40 years.

The OPB now has a range of [illegible] outright approval of the Lucas proposals, some of which – calling for more information, seeking help from the courts – would involve delay. But it could ask the company and trustees to reconsider the whole package if it believes Mr O'Leary has a point. One way or another, the case will run and run – not least because Mr O'Leary is determined to seek a remedy in the courts if the OPB gives its fiat to the deal.

OBSERVER

European player

■ The Dutch [illegible] famous [illegible] placing [illegible] amongst pigeons, but [illegible] – [illegible] known [illegible] – Dankert, the Dutch [illegible] secretary for European affairs, may change all that.

[illegible] to [illegible] unofficial title [illegible] Mr Europe [illegible] by his [illegible] of a final treaty on European political union. It controversially gives sweeping powers [illegible] the European parliament, thus downgrading [illegible] importance [illegible] individual members' parliaments.

Dankert, 57, [illegible] a long [illegible] with EC affairs; indeed he is better known in European than Dutch poli[illegible]. He served as a Euro MP [illegible] and [illegible] the European assembly's president from 1982 [illegible].

In the 1970s, [illegible] sitting as a Labour Party member in [illegible] Dutch parliament and [illegible] a Euro MP, he found time to be [illegible] member [illegible] the parliamentary assembly of the Council [illegible] Europe, [illegible] assembly [illegible] the [illegible] European Union.

Labour's return [illegible] power in [illegible], in coalition with the Christian [illegible] of Prime Minister Ruud Lubbers, [illegible] put his European experience to good use at [illegible] foreign ministry, [illegible] his post [illegible] equivalent to [illegible] a junior minister in [illegible] UK.

Other Euro credentials include five [illegible] and marriage to a Frenchwoman. At the [illegible] Dankert is [illegible] to his Friesland heritage; his [illegible] tongue is Frisian, spoken in the Netherlands' bi-lingual, northernmost province.

Fix bayonets

■ British army regiments faced with what they regard as "extinction" under [illegible] government's [illegible] plans – i.e. [illegible] with other regiments – [illegible] adding a touch [illegible] professionalism [illegible] their [illegible] survival.

In an [illegible] emulate [illegible] campaign by [illegible] Argyll and Sutherland Highlanders 20 years ago, they are turning [illegible] public relations firms [illegible] promote their case. Or rather, they seem [illegible] be turning [illegible] one public relations firm, Citigate Communications.

First recruited for [illegible] Keep [illegible] Campaign, Citigate [illegible] also now started working for [illegible] English regiments, the [illegible] and the Cheshires, which are [illegible] to be amalgamated.

"Basically they are all [illegible] same thing, [illegible] the [illegible] severe," says Citigate. But nobody expects all [illegible] regiments [illegible] reprieved. If [illegible] any [illegible] be had, then they are all competing [illegible] it.

Conflict [illegible] interest? Citigate, which [illegible] its [illegible] in military [illegible] years ago [illegible] a [illegible] campaign [illegible] win equal treatment [illegible] [illegible]ws, says it has set up [illegible] system of "Chinese walls". It deals with [illegible] regiments through its Edinburgh office, the Staffordshires through its Birmingham office, and the Cheshires through an office in Leeds.

Head down

■ The surprise [illegible] by Beppe Pescetto, press supremo [illegible] Italy's [illegible] group, [illegible] quit the country's [illegible] profile corporate PR job [illegible] than [illegible] years, has triggered the question of whether he jumped [illegible] pushed.

Though no [illegible] emerged from either Fiat or Pescetto, [illegible] becoming a headhunter.

"Bush wants us [illegible] remove our weapons [illegible] mass destruction and abolish boxing."

Headhunting [illegible] almost as big [illegible] fad in Italy as portable telephones this [illegible]. But leaving high-paying [illegible] is not a [illegible] taken lightly.

Fiat's interim [illegible] will probably confirm the group [illegible] sliding [illegible] the domestic [illegible] market. But [illegible] says his [illegible] – a "professional choice" – is [illegible] specialisation in "communications" [illegible] increasingly in demand.

No more [illegible] than at Fiat itself, where curiosity surrounds the choice of successor. Fiat is no [illegible] already [illegible] touch [illegible] the headhunters.

Cook book

■ Robin Cook, the British Labour party's shadow health secretary, paid no acknowledgement to [illegible] John Buchan on Monday, [illegible] he plagarised the [illegible] one of Buchan's [illegible] famous novels and announced the "[illegible] steps" a Labour government [illegible] taking to remedy [illegible] in Britain's [illegible] service.

Cook, a [illegible] number-cruncher, might [illegible] an impressive Mr Memory, [illegible] pivotal [illegible] in Alfred [illegible] film [illegible] book, who performs astonishing [illegible] one problem; [illegible] film's climax [illegible] shooting [illegible] Mr Memory, just as [illegible] was unravelling [illegible] which posed [illegible] pre-NHS Britain.

Rolling home

■ [illegible] Albania ready [illegible] full onslaught [illegible] wealth, in [illegible] form of a gold painted Rolls Royce [illegible] Apparently not.

[illegible] Rolls belongs [illegible] Hajdin Sejdija, an ethnic Albanian from Kosovo, in neighbouring Yugoslavia. [illegible] 45 years of scarcely splendid [illegible] isolation, Albania [illegible] it now wants foreign investment. But Sejdija is finding it tough going.

Sejdija has set up Albania's first private bank, Iliria Bank, [illegible] for [illegible] number [illegible] and [illegible] schemes.

But Iliria remains closed, waiting for Albania's [illegible] bank to [illegible] operating rules for commercial banking. Even Rolls-lubricated wheels of change can grind slowly.

Cheap chimps

■ The turbulent dealings [illegible] shares reminds [illegible] of a recent [illegible] Hammamet in Tunisia.

The North African [illegible] is popular with package holidaymakers from Yorkshire, [illegible] home [illegible] grocery chain. Some Hammamet [illegible] have developed [illegible] way [illegible] attracting [illegible] attention [illegible] usually prudent northerners. They yell, in [illegible] Yorkshire accents, "C'mon you [illegible] monkeys - everything ASDA price!"

LETTERS

London Tube problem not cash shortage

From Mr David Sawers.

Sir, Those who have read the Monopolies Commission report on London Underground must share [illegible] surprise at its being used to support demands of the company's managers for ever larger increases in investment in this system ("Warning of closures on London Tube", September 16). Though it concluded that deficiencies in services were [illegible] of under-investment, much of the report's [illegible] contradicts this judgment.

The report describes how the company is developing [illegible] new investment and renewals strategy, and recommended that it should [illegible] obtained the [illegible] information [illegible] developed the [illegible] techniques by the end of 1993.

Until London Underground has reached this stage it is difficult to see how its managers can be [illegible] that they know the long-term [illegible] of the underground system for investment. Its estimates cannot be taken very seriously [illegible] their impact [illegible] by other evidence in [illegible] Monopolies' Commission report, which [illegible] the reliability of Underground [illegible] was [illegible] the [illegible] equipment used, and [illegible] maintenance was not [illegible]ducted efficiently. This evidence suggests there is plenty of scope for improving services by using its existing staff and equipment more effectively.

David Sawers,
10 Seaview Avenue,
Angmering-on-Sea,
Littlehampton, West Sussex BN16 1PP.

Employment Department accused of lack of strategic thinking on training

From Mr Peter Ashby.

Sir, Your report of the correspondence between Mr David Mellor, chief secretary [illegible] the Treasury, and Mr Michael Howard, the employment secretary, concerning further cuts in Department [illegible] Employment programmes makes dismal reading ("Treasury seeks to cut £1bn from training", September 24).

Further cuts in the budget for employment training really [illegible] spell [illegible] ET in much [illegible] the UK. However, what [illegible] remarkable [illegible] not so much [illegible] Treasury's instinct to [illegible] cutting – that seems all too predictable – but rather the Employment Department's [illegible] (not reported in [illegible] story) [illegible] than three in every 10 people leaving ET in 1992-93 will find jobs.

The Treasury is surely *right* to say that it will not finance training if the vast majority of trainees remains unemployed after completing training. [illegible] it appears to ignore the fact that some Training and Enterprise [illegible] (Tecs) [illegible] already planning to introduce credits into ET precisely in order to relate the numbers [illegible] "awards" for training more closely [illegible] from different courses – and unemployed people's own plans [illegible] finding employment directly related to their training.

Mr Mellor [illegible] critical of career development Loans. Here, again, [illegible] is [illegible] Department [illegible] Employment that seems to be behind the times. Some [illegible] would prefer to introduce their own local credit schemes for adults in work, linked [illegible] "pay-as-you-learn".

What they need, however, [illegible] additional public funding for the counselling and guidance [illegible] which a [illegible] adult credits must be based.

It appears that, yet again, Tecs risk losing out due to a lack of strategic thinking at the top. If this is so, it is Mr Howard, rather than Mr Mellor, who should carry the can.

Peter Ashby,
Full Employment UK,
79 Prince George Road,
London N16 8DL

Symbols and festivals of Japan

[illegible] Mr David Shaw.

Sir, You [illegible] the [illegible] opening [illegible] Holland Park Japanese garden ("Survey [illegible] in [illegible] UK", September [illegible]) symbolises [illegible] happier relationship between Japan and Britain.

What does [illegible] nightly destruction [illegible] squirrels, an import from America, [illegible]bolise?

[illegible] Shaw,
[illegible]
Boston,
Massachusetts 02110

From Sir Hugh Cortazzi.

Sir, As chairman [illegible] the Japan Society, I warmly welcome your leader on September 19, "Learning more about Japan". It does, however, contain one error. It asserts that Japan chose Britain as the [illegible] for a major festival. In fact, [illegible] val [illegible] from [illegible]. The Japan Society, whose [illegible] is [illegible] year, was one of the initiators of the [illegible].

At first the [illegible] were doubtful but they responded quickly and with enthusiasm. The Japan [illegible] Japanese cultural achievements [illegible] be better [illegible] in Britain.

Hugh Cortazzi,
chairman,
The Japan Society,
[illegible]
London W1R [illegible]

Scots will not miss irony

From Mr William F Low.

Sir, All patriotic Scots will *not have* missed the irony of the warning by Lord Mackay of Clashfern, the Lord Chancellor ("Mackay warns of Scottish isolation", September 19), to [illegible] any [illegible] constitutional [illegible] quo [illegible] Scotland and [illegible] UK [illegible] "[illegible]tion [illegible] semi-isolation". [illegible] Mackay [illegible] his [illegible] in the town of Arbroath [illegible] in [illegible] Declaration [illegible] Arbroath [illegible] for Scottish sovereignty in the following words: "For so long as 100 men remain alive, we shall never under any conditions submit to the domination of the English. It is not for glory or riches or honours that we fight, but only for liberty, which no good man will consent to lose but with his life."

As for Lord Mackay's claim that the union of Scotland and England was "probably the finest example of [illegible] coming freely together to [illegible] mutual [illegible] of their peoples", he may be a good lawyer but he certainly is no historian. Even a cursory examination of the circumstances surrounding the Union of 1701 will reveal that not only was it resented by the people of Scotland, but also they were never consulted. In fact, the union was implemented only by bribery and intimidation [illegible] English [illegible].

As [illegible] mutual benefits [illegible] the union, [illegible] is undeniably correct on one instance, viz himself, a Scot who occupies the highest English legal office. Most of his fellow Scots are still waiting for the benefits to materialise.

William F Low,
5 Kirklee Terrace,
Glasgow G12 0TQ

A history in paperback

From Mr Antony Mannion.

Re Mr Richard Turner's letter (September 21), I would point out that I purchased a paperback copy of A Brief History of Time three weeks ago in the duty-free bookshop at the Kuala Lumpur airport. It was reasonably priced. I too have not yet managed to get to the end of it.

Antony Mannion,
26 Farrer Road,
Singapore

Intrinsic merits of Rover reform

[illegible] Mr Bryan [illegible]

Sir, I hope that [illegible] changes proposed by [illegible] ("Rover [illegible] Japanese route", September 18) will not [illegible] solely [illegible] carbon-copy of Japanese methods. The package includes [illegible] single company council, [illegible] status, [illegible] abolition of clocking, and [illegible] simplified grading [illegible]. These steps have already been *introduced in some companies*, and are long overdue in many more. There is, of course, the *quid pro quo* of greater flexibility and [illegible] improvement, both [illegible] which will require discussion and mutual understanding. [illegible] with "[illegible] partnership" [illegible] the TUC Congress, the package deserves to be judged on its intrinsic merits, and not immediately criticised as an "alien approach".

Bryan Stevens,
director,
Involvement & Participation Association,
87-95 Tooley Street,
London SE1 2RA

A not so sweet view of [illegible] sugar substitutes

From the Earl of Bradford.

Sir, I was most intrigued to read your article ("Technology – rich treats in the sugar bowl", September 12) about the launch by Tate & Lyle of its new artificial sweetener – sucralose.

You mentioned various other sweeteners, and the fact that they all have drawbacks, mainly that they have an aftertaste of one kind or another. Personally, I find that they all taste fairly revolting! I am sure sucralose will not be an exception, and that it will therefore not [illegible] an enormous threat to world sales of sugar.

[illegible], you [illegible] out any mention of the only sweetener that tastes like sugar and has no aftertaste – [illegible].

Cyclamate [illegible] banned in 1970 on the [illegible] of totally false evidence, which has been found [illegible] repetition [illegible] been incorrectly obtained, and the EC has been reinstated it as an allowed substance.

Despite the fact that the [illegible] against [illegible] was totally discredited, and [illegible] it can now be used in soft drinks, I can see no evidence that it is being used, or sold as [illegible] sugar substitute.

This seem [illegible], however, could it be connected with the fact that all the experiments to try to prove that it was [illegible] dangerous [illegible] seemed to be financed by sugar companies, and they [illegible] vested interest in keeping it off the shelves?

Bradford,
Weston Park,
Weston-under-Lizard,
[illegible]
Shropshire TF11 8LE

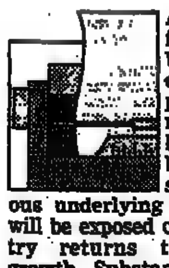
Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

PERSONAL VIEW

Right route for achieving a balanced transport policy

By Alan Wenban-Smith and Nick Segal



Although the failings of the UK's inadequate transport system may have been shielded by [illegible] recession, [illegible] serious underlying inadequacies will be exposed once the country returns to sustained growth. Substantial expenditures on ambitious road-building programmes alone will not bring about an improvement in what is now a policy disaster area.

Only a more strategic and balanced view of transport policy will improve matters, and even then only over [illegible] medium to long term.

Government policy [illegible] pronounced bias in favour of the road [illegible] which should [illegible] through [illegible] fairer approach to pricing and investment planning.

Symptoms: Even [illegible] £15bn the programme for [illegible] roads will fall short [illegible] meeting fore[illegible] demand. [illegible] spreading urban activities, it will generate additional traffic that could nullify its strategic purpose.

Rural and urban environ[illegible] are being degraded by traffic. This leads to further dispersion of settlement, creating more transport demand.

Diagnosis: Insufficient atten[illegible] has been paid [illegible] how transport affects every aspect [illegible] our economic and social behaviour. [illegible] have spread where we live, work, [illegible] and relax ever further apart: The average distance we travel has increased by 60 per cent since the mid-1970s.

Most of this increase is due to the car, with crucial wider consequences such as congestion and pollution: access to cars is uneven, excluding large minorities (such as the elderly, and [illegible] fringe locations [illegible] public transport has withered); cars spread [illegible]bility (for [illegible] them), but [illegible] internal structure [illegible] and [illegible] grew up around [illegible] concentrated accessibility provided by canals and railways. Urban form changes only slowly and thus profound stresses are set up between our urban environment [illegible] transport behaviour.

Transport policy has failed to respond adequately [illegible] complexities. Government [illegible] transport problems give [illegible] much weight [illegible] specifically transport criteria. For example, 80 per cent of the economic benefits justifying the road programme comprises the [illegible] the time savings of road users. Little weight is attached to "external" economic and environmental effects which are crucial in the long run.

Another failure is that public and private transport cannot be combined in a coherent policy because of the different ways they are financed. Consumers pay for the use they make of public transport, making judgments about the value to themselves of the service. The resulting [illegible] are basically expected [illegible] provide an adequate return on capital; government subsidy is limited [illegible] "non-user" benefits (this means, in the main, time savings [illegible] users [illegible] those roads from which demand [illegible] transferred). *While users of public* transport pay for [illegible] and an increasing proportion [illegible] directly through fares, [illegible] contributions are only weakly related to the use they make of the system and are not directly linked to the capital investment.

These differences are crucial in terms of relative demand for public and private transport.

Prescription: Transport policy needs to derive from an understanding of its economic and social effects. Much cur[illegible] practice [illegible] on sophisticated but narrow techniques [illegible] forecasting traffic [illegible] calculating time-saving benefits. While further research is required, much can be done in the meantime. We suggest that:

Strategic transport planning should relate the overall shape [illegible] the transport network to development opportunities [illegible] *(say) a 20-year period.* (Much can [illegible] learned from the French approach).

Both road and rail should be charged on the same basis – users paying for travel according to the use they make and the costs they impose on others. In the short term, movement in this direction could be achieved by fiscal measures (such as higher taxes on fuel and parking), but road pricing in congested urban areas and tolls on major inter-urban routes will become essential [illegible] long. Norway, Sweden, and [illegible] Netherlands have already embarked on [illegible] strat[illegible]. Public [illegible] capital contributions (road and rail) [illegible] be based upon [illegible] benefits obtained – [illegible]nomic, environmental [illegible] social. Companies derive greater [illegible] lesser benefit according [illegible] they should [illegible] contribute accordingly. [illegible] development specifically depends upon [illegible] makes heavy use of a new facility, a "planning gain" should be levied.

Within the above framework, priorities for public support should be judged on the basis [illegible] the contribution towards strategic goals (such as urban regeneration or regional development).

Private funding based upon the income streams from road pricing, tolls and [illegible] could form an increasing component [illegible] well as rail.

[illegible] road and rail are on [illegible] "level playing field" in respect [illegible] pricing and [illegible] for subsidy, much [illegible] the [illegible] could be [illegible] out [illegible] the related question [illegible] privatisa[illegible] of [illegible] Rail (and [illegible] public transport operators). Demand would [illegible] a [illegible] guide [illegible] investment priorities and [illegible] matter [illegible] were the sources [illegible] investment funds.

If those responsible [illegible] development of the [illegible] sys[illegible] were at arm's length from the Department [illegible] Transport, as is the case with other forms of transport, then the government could play [illegible] genuinely [illegible] and integrating role in developing national trans[illegible] policy.

Alan [illegible] is [illegible] director, planning and architecture, Birmingham City Council. [illegible] Segal [illegible] a founder of management [illegible] Segal [illegible] Wicksteed, Cambridge.

Robert Mauthner

The Commonwealth cause

New developments augur well for the rejuvenation of an international dinosaur

FOREIGN AFFAIRS

Apologists [illegible] the Commonwealth have had a hard time over the past decade. Increasingly, it has looked as if the evolution-defying dinosaur, now boasting [illegible] members, [illegible] fast coming to the end of [illegible] natural existence and that only periodic roars [illegible] South Africa [illegible] it going. But as it lumbers towards its next watering hole in Harare, [illegible] Commonwealth prime ministers gather [illegible] month [illegible] their two-yearly meeting, there is a small chance that something can be done to breathe new life into the old beast.

Not that the Commonwealth itself has altered in any fundamental way since the last turbulent meeting of heads of government in Kuala Lumpur in 1989. It continues to be a heterogeneous group of nations with little to unite them except history and language and, in most cases, severe problems of economic under-development. [illegible] problems, many [illegible] the Commonwealth's critics feel, [illegible] be dealt [illegible]tively by [illegible] international organisations such as [illegible] World Bank, [illegible] International Monetary Fund and United [illegible] agencies, [illegible] under-funded, post-colonial [illegible] including [illegible] few "rich" industrial countries.

What has changed [illegible] international [illegible] which the Commonwealth operates [illegible] some of [illegible] association's main actors. Most important have [illegible] rapid political developments in [illegible] Africa, notably [illegible] Klerk government's [illegible] to dismantle apartheid legislation, [illegible] political prisoners and [illegible] negotiations with [illegible] black majority.

[illegible] of [illegible] on the atmosphere in which the Commonwealth prime ministers will hold their [illegible]sions should be highly salutary. Even those countries like the African frontline states, which [illegible] to be deeply sceptical about the Pretoria government's long-term intentions, recognise that [illegible] modification of the [illegible] on [illegible]tions, though not [illegible] their complete abolition, is called for. A new British prime minister should also help. Margaret Thatcher's outspoken opposition [illegible] prevented a consensus from being reached at [illegible] Commonwealth summits. Her replacement should contribute to a more propitious climate in [illegible] other, long-neglected [illegible] can be discussed.

During [illegible] brief period as foreign secretary, Mr John Major was humiliatingly outflanked at the last summit when Mrs Thatcher decided to publish [illegible] dissenting British communiqué on sanctions, after having previously agreed to a joint document with the other [illegible] government. That [illegible] experience which [illegible] present incumbent of Number 10 Downing [illegible] will [illegible] forgotten and it can [illegible]dently be [illegible] that he will not adopt [illegible] highly confrontational and damaging [illegible] of his predecessor. Cogent [illegible]ments can [illegible] put [illegible] in support [illegible] Mrs [illegible] anti-[illegible] stand. But it [illegible] the uncompromising [illegible] aggressive manner in which they [illegible] presented [illegible] a disruptive impact and lost Britain its traditional leading role in the organisation.

Mr Major's task will be facilitated both by his reputation as a constructive thinker on the developing [illegible] problems – [illegible] debt relief proposals last year were highly appreciated by his partners – and [illegible] position adopted by [illegible] other members on [illegible] Africa. Countries such as Canada, previously in the [illegible] lately [illegible] insisting that [illegible] Commonwealth [illegible] adopt an altogether more positive policy towards South Africa. [illegible] is still plenty [illegible] scope for dis[illegible] between Britain and the [illegible] on the recommendation for linking [illegible] step-by-step dismantling [illegible] sanctions to further practical moves towards [illegible] apart[illegible]. But, in proposing an [illegible] lifting of at [illegible] some [illegible] the proposal is sufficiently flexible [illegible] serve as [illegible] basis for a compromise.

It is in [illegible] that, whatever the [illegible] to the attempts to start [illegible] real political dialogue in South Africa, the [illegible] now has [illegible] own [illegible] momentum. Sanctions, whatever their contribution to [illegible] South African [illegible]ernment's change [illegible] heart, [illegible] largely [illegible] an irrele[illegible], and it [illegible] high time [illegible] Commonwealth should turn to [illegible] matters.

Fortunately, the need for a fresh look at the organisation's role [illegible] something which [illegible] Nigerian secretary-general, Chief Emeka Anyaoku, has fully taken on board. Less ebullient than his predecessor Sir Sonny Ramphal, but more pragmatic [illegible] realistic, "the *Chief*" [illegible] out a number [illegible] priorities for [illegible] Commonwealth [illegible] future. [illegible] doubt, their achievement [illegible] turn the Commonwealth into [illegible] organisation with anything [illegible] European Community [illegible] the UN. But [illegible]mendations have the merit of being both attainable and giving [illegible] association [illegible] enhanced political and human rights role, which it has long lacked.

Improvements will not be enough to ensure [illegible] body's survival unless there is a perception that it has a world role to play

Double standards have long [illegible] the Commonwealth's greatest weaknesses. While calling upon [illegible] to abolish apartheid [illegible] implement [illegible] principle [illegible] man [illegible] vote, [illegible] member countries were themselves guilty of abusing both human and [illegible] rights. The violation of numerous high-minded summit declarations on the subject have presented the Commonwealth with [illegible] serious credibility [illegible]. [illegible] like Singapore, Kenya and [illegible] name but [illegible] few of the most obvious culprits, have all been guilty of clamping down on freedom of expression, while democracy is still a very delicate plant in many others, it it exists at all.

The time has come for the Commonwealth's rule of non-interference in the internal affairs of member states to be applied more flexibly, the logical consequence of Chief Anyaoku's proposals. Procedures for the resolution of conflicts between member countries, the sending of observer missions to monitor elections in countries [illegible] little experience of pluralistic political systems and the monitoring [illegible] human rights [illegible] member countries should be formalised and given an institutional framework.

As [illegible] industrialised member countries [illegible] the UK, Canada, [illegible]tralia and [illegible] would [illegible] to be [illegible]pared to make a [illegible] effort. Democracy, which they are interested in promoting, will only take root in the poorer countries if it is accompanied by jobs and higher living standards. Yet [illegible] Commonwealth Fund [illegible] Technical Co-operation, [illegible] organisation's most valued practical agencies, has a lamentably [illegible] budget of only £30m, given the [illegible] demand for its [illegible].

The proposed improvements in the [illegible] the Commonwealth are [illegible] of life. [illegible] they will [illegible] be [illegible] to [illegible] long-term survival [illegible] general perception that such [illegible] loose [illegible] still [illegible] a role [illegible] on [illegible] stage. For [illegible] can [illegible] be fulfilled in north-south negotiations, [illegible] membership [illegible] industrialised and developing [illegible]. Moreover, the collapse [illegible] super[illegible] system, [illegible] break-up [illegible] Union and Yugo[illegible] and [illegible] for [illegible] arrangements [illegible] their constituent parts, as well as [illegible] European Community, [illegible] suddenly brought [illegible] Commonwealth model [illegible] into fashion in some [illegible] European circles.

It does, [illegible] all, provide the perfect framework [illegible] states who value the historical, linguistic and [illegible] ties between them, but who want [illegible] politically independent of each other. Croatia and Slovenia, please note. There may be a [illegible] for you in Harare.

FINANCIAL TIMES
Wednesday September 25 1991

Rebel national guardsmen [redacted] up the opposition occupation of Georgia's national [redacted] building in Tbilisi

Fears of civil war rise [redacted] Gamsakhurdia denounces 'coup plotters'

Georgia imposes state of emergency

By Neil Buckley in Tbilisi

[redacted] president [redacted] night announced a [redacted] of [redacted] in [redacted] capital Tbilisi, to [redacted] effect today.

Mr Zviad [redacted] that a "[redacted] military coup", directed by Moscow, [redacted] threatening [redacted] him and [redacted] Georgian parliament. His [redacted] increased fears [redacted] conflict.

The president [redacted] city [redacted] "strictly controlled". [redacted] demonstrations would [redacted] permitted but [redacted] "illegal armed groups".

More than 5,000 people again [redacted] their support for Mr [redacted] government building. A [redacted] distance away, several [redacted] sand opposition supporters held [redacted] rally [redacted] city's philharmonic hall.

Mr Gamsakhurdia, [redacted] by his opponents of being [redacted] dictator, [redacted] opposition [redacted] more [redacted] an [redacted] coup".

The "junta", including Mr Tengiz Sigua, [redacted] prime minister, Mr Georgi Kitovani, former commander [redacted] National Guard, and Mr Georgi Hoshtaria, [redacted] foreign minister, had formed an "illegal [redacted] military unit" which had occupied Tbilisi's televi[redacted] centre and [redacted] occupy the government building.

"They are supported by Moscow and their [redacted] step is directed by Moscow," Mr Gamsakhurdia [redacted]. "Former Prime [redacted] Sigua was recently [redacted] for four days where he [redacted] instructed."

Mr Gamsakhurdia also [redacted] opposition leaders of taking orders from Mr Eduard Shevardnadze, former Soviet foreign minister.

Mr [redacted] claimed [redacted] "coup" was supported by no more than [redacted] or three thousand people. They included, he said, [redacted] members [redacted] "communist [redacted]" who [redacted] their positions, [redacted] youths and "criminal elements".

The government, he said, would try [redacted] avoid bloodshed and arrests, but his [redacted] was [redacted] warning that he [redacted] not tolerate armed opposition.

By yesterday [redacted] than 100 [redacted] the [redacted] joined [redacted] opposition, [redacted] Georgia's television centre, with [redacted] armoured personnel carriers. More [redacted] troops [redacted] in [redacted] just [redacted] Tbilisi.

A similar number [redacted] government soldiers, and [redacted] one armoured personnel carrier, [redacted] gathered in [redacted] courtyard [redacted] government building.

Negotiations [redacted] representatives of government and opposition, under [redacted] auspices [redacted] of the Georgian church, ended in deadlock.

Soviet grain credits, [redacted] 32

Yugoslav ceasefire breaks down

By Judy Dempsey in Zagreb [redacted] Laura Silber in Belgrade

THE fragile [redacted] Yugoslavia's federal army was [redacted] yesterday [redacted] army jets strafed [redacted] eastern Croatian [redacted] of Vinkovci.

[redacted] Croatian government [redacted] the Yugoslav army pull [redacted] its territory, saying [redacted] this [redacted] a [redacted] for [redacted].

Meanwhile, Mr Stipe Mesic, Yugoslavia's president, [redacted] on [redacted] Cuéllar, [redacted] secretary-general, [redacted] allow formalities [redacted] hold up the despatch [redacted] peacekeeping [redacted].

Mr Branko Salaj, Croatia's minister [redacted] information, said [redacted] jets had [redacted] Vinkovci in an attempt [redacted] lift [redacted] blockade [redacted] its barracks, which [redacted] still being besieged by Croatia's [redacted] guard.

The [redacted] stipulated the lifting of all Croatian blockades of [redacted] army barracks, [redacted] well [redacted] the resumption [redacted] food, water and electricity supplies.

Zagreb radio reported several people killed and [redacted] injured after the army pounded Vinkovci, a town of 40,000 inhabitants, with mortar and shells. "The town has been virtually destroyed," a witness said.

The radio also reported that one person was killed and four injured after fighting at Daruvar, near the Adriatic coast. It said Lovinac, a village near the coast, was also attacked.

Western diplomats said the [redacted] on Vinkovci could [redacted] an [redacted] by the [redacted] and [redacted] Serbian republic [redacted] postpone the reconvening [redacted] the [redacted] being [redacted] by [redacted] European Community. This [redacted] to [redacted] in The Hague tomorrow.

Mr Roland Dumas, [redacted] foreign minister, called on [redacted] UN to demand compliance with the [redacted] "Yugoslavia [redacted] heading further [redacted] an impasse," he [redacted].

In [redacted] Polityka, [redacted] main daily [redacted] sharply criticised [redacted] ceasefire, saying the federal army was not doing enough to protect [redacted] ethnic [redacted] community in [redacted].

Meanwhile, leaders [redacted] neighbouring Bosnia-Hercegovina said they feared an outbreak [redacted] civil [redacted] in the ethnically mixed republic. Gunfights in Visegrad, [redacted] Bosnia, [redacted] to spread through the central republic.

Serbian leaders in Visegrad [redacted] the formation [redacted] a police [redacted] protect [redacted] who [redacted] "suffering brutal attacks from local Moslem groups".

[redacted] Moslems maintained their blockade of [redacted] military [redacted] in Visegrad.

The deployment in Bosnia [redacted] army [redacted] Montenegro, a [redacted] ally of Serbia, [redacted] unleashed [redacted] conflicts among the republic's population [redacted] Slavic Moslems, Serbs and Croats.

[redacted] least 2,000 Moslems and [redacted] areas where the [redacted] are [redacted] Ethnic [redacted] already near breaking point [redacted] proclamation [redacted] Serbian [redacted] regions, amounting to [redacted] territory.

Mr Radovan Karadzic, [redacted] Serbian Democratic party, said: "Our goal [redacted] chaos in Bosnia, but Serbs are suffering in places [redacted] we [redacted] the minority."

Mr Muhamet Cengic, [redacted] deputy prime minister, [redacted] yesterday expected [redacted] hold crisis [redacted] with [redacted] Veljko Kadijevic, defence minister, [redacted] demand [redacted] withdrawal [redacted] army troops. [redacted] warned: "Either reservists [redacted] will [redacted] a catastrophe."

British hostage released in Beirut

By Lara Marlowe in Beirut and Our Foreign Staff

THE BRITON Mr [redacted] Mann, aged 77, the oldest of the [redacted] hostages in Beirut, [redacted] reported [redacted] have been freed last night, in a move which could bring new [redacted] to the briefly stalled release [redacted] those detained in [redacted] Middle East.

The former Battle [redacted] Britain Spitfire pilot was handed [redacted] after 865 days in captivity by the pro-Iranian Revolutionary Justice Organisation (RJO), according [redacted] the [redacted] Iranian [redacted] Agency (Irna) in Beirut.

In [redacted] officials said Mr Mann [redacted] on [redacted] Syrian capital. They said Mr [redacted] be handed to [redacted] British ambassador to Syria [redacted] Foreign Ministry.

A Shia [redacted] quoted [redacted] saying that [redacted] American captive could also [redacted] freed "soon".

Irna [redacted] the release had [redacted] according to a plan announced earlier in the day by [redacted] RJO, under [redacted] be taken to the city's [redacted] Rivage [redacted].

The Syrian-backed [redacted] government of Mr Elias [redacted] has [redacted] embellish [redacted] image [redacted] independence by seeking [redacted] that [redacted] within [redacted] own territory.

The [redacted] from Mr Mann's [redacted] Sunnie, who had suffered several [redacted] indicating his imminent release, was simply: "I'm [redacted] very happy."

Mr John Major, the UK prime minister, said he [redacted] "delighted" by [redacted].

[redacted] George Bush [redacted] that [redacted] hoped [redacted] Mr Mann would lead [redacted] freedom for the remaining Western captives in Lebanon, including five Americans.

Nine westerners and a number of others [redacted] still missing in Lebanon, [redacted] them [redacted] held [redacted] pro-Iranian militants.

They include:

- [redacted] Mr Terry [redacted] year-old envoy of the Archbishop of Canterbury, who dis[redacted] during a mission [redacted] secure [redacted] of western hostages in 1987.
- Mr Terry [redacted] chief Middle East correspondent of the Associated Press news agency. Held by Islamic Jihad since 1985.
- Mr Thomas Sutherland, 60, the Dean of Agriculture at the American University of Beirut (AUB) and Mr Joseph Cicippio, 60, deputy comptroller of AUB, held by Revolutionary Justice Organisation.

Mr Mann was making his routine Saturday morning journey from the British Bank of the Middle East – where he cashed a check for £100 every week – to the Captain's Cabin pub in the Rue Adonis, when he was seized by gunmen on May 12 1989.

[redacted] move, Page [redacted]

THE LEX COLUMN

A hard road for Tarmac

The interim results season from the UK construction and building materials sectors [redacted] proving [redacted] bit [redacted] gruesome as the market feared. The only consolation has been [redacted] marked lack [redacted] rights issues – [redacted] anyway – and the [redacted] determination [redacted] companies to maintain their interim dividends. It could be, [redacted] course, that [redacted] long [redacted] pick-up in housing or a Labour-inspired infrastructure programme will have appeared by the start of next year. The yields on Costain and Mowlem shares of 16 per cent and 13 per cent respectively suggest that not everyone is counting on it.

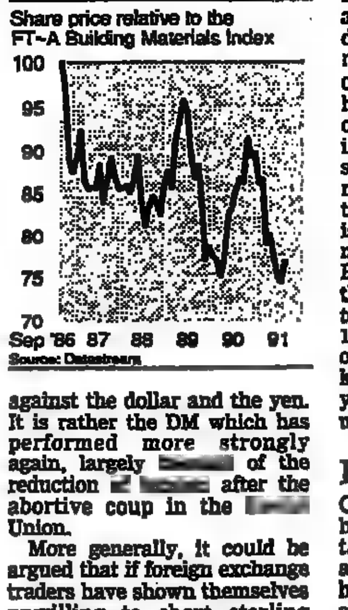
Tarmac, whose profits in the first six months were less than a fifth of their level in 1990, is more difficult [redacted] read. The shares, which yield 7.4 per [redacted] on last night's price of 202p, would certainly be expensive if the dividend had to be trimmed. But the betting must [redacted] that it will [redacted]. Quite apart [redacted] company's perennial optimism, there [redacted] considerable margin improvement in housing next year even if [redacted] market remains slack, while US profits should jump sharply even with a modest increase in volume.

Having said this, Tarmac's shares are hardly cheap. Group profits even in 1992 are likely to be only a third of their 1989 peak, while the company has a hard struggle ahead to create a more balanced business. The rating will [redacted] earnings volatility for [redacted] while yet. End-year gearing, meanwhile, [redacted] likely [redacted] reasonably [redacted] per [redacted]. But [redacted] will [redacted] seasonally low, [redacted] rights [redacted] rumours should not be laid to [redacted].

FT-SE Index: 2,576.6 (-2.9)

Tarmac

Share price relative to the FT-A Building Materials Index



Source: Datastream

Sterling

With sterling still bumping along [redacted] around DM2.90, it might seem [redacted] odd time [redacted] revert [redacted] the argument that it should move [redacted] 2.25 per [redacted] bands within the ERM. But 10 days away from the first anni[redacted] of sterling's [redacted] the [redacted] it [redacted] worth recalling that [redacted] has fallen only [redacted] below [redacted] per cent floor, [redacted] topping of Mrs Thatcher. In that time, the differential between UK and [redacted] man money market rates [redacted] moved from [redacted] percentage points to [redacted] percentage point. Sterling has [redacted]hile moved [redacted] DM2.93 to DM2.90.

The obvious argument against narrow [redacted] political risk. [redacted] despite all [redacted] November election, sterling [redacted] ciably in the past month against the dollar and the yen. It is rather the DM which has performed more strongly again, largely [redacted] of the reduction [redacted] after the abortive coup in the [redacted] Union.

More generally, it could be argued that if foreign exchange traders have shown themselves unwilling to short sterling aggressively over the past year within its 6 per cent band, they may be equally nervous of taking it on within the stricter regime of 2.25 per cent. And while the political risk can never be dismissed, there could be an offsetting advantage: that of being seen to lock the UK into a low inflation rate while there is still time.

Michelin

The good news in Michelin's interim figures was that it expects to be back to break-even at the pre-tax level by the end of the year. The bad news is that net debt has risen [redacted] further 11 per [redacted], admittedly partly as [redacted] result of the stronger dollar. Debt of this magnitude – gearing is over 280 per cent even before inclusion of FF5.5bn in subordinated debt – is likely to be a serious drag on profits, even as operating recovery continues.

Notwithstanding weak markets, which also tripped up Pirelli in the first half, Michelin has pushed through price increases. It is claimed that these could yield an extra FF300m this year, but that is chicken-feed compared with the debt. Lower stocks may reduce working capital, but the redundancy programme will be a continuing drain on cash this year and next. Capital spending cannot be held back indefinitely, especially given the threat of powerful competition if [redacted] Pirelli/Continental merger eventually goes ahead.

Michelin can scarcely look to internal [redacted] generation to reduce its debt. At some stage it will need a rights issue, and a massive one at that, since net debt is more than twice its market capitalisation. It clearly prefers to wait in the hope that the turnround in operating profits will be increasingly reflected in the share price. A further modest rise is indeed possible on hopes that the price of a large rights issue would be the enfranchisement of the quoted B shares. But given the debt overhang, the price is unlikely to recover to the FF300 level last seen in 1987. At FF128, it has already outperformed the French market by 70 per cent over the past year. Much of the good news must already be discounted.

Hays

Given that business services have proved much less resistant to the downturn than advocates like BET hoped, it has been a considerable achievement for Hays to struggle through the recession with its reputation largely intact and its £615m market capitalisation 50 per cent higher than a year ago. Whether the one per cent increase in annual pre-tax profits justifies the [redacted] per cent outperformance by Hay's shares [redacted].

Granted, the specialist nature of Hays' distribution [redacted], particularly [redacted] and chemicals, contrasts with [redacted] like [redacted] cleaning [redacted] towels offered by its [redacted]. Collapsing profits from its personnel division were partially offset by a one-third jump [redacted] contribution from commercial operations like archive storage.

The [redacted] small acquisitions has [redacted] profits by much, although financing [redacted] have been more than covered. [redacted] the increase in [redacted] is largely attributable to lower interest [redacted]. The group's ability to generate cash is proven – the £15.7m cash inflow more than covered the full-year dividend – but heavy spending on the £30m distribution factory for Waitrose will again be a drain on resources.

The problem is that it is hard to be too optimistic about this year, even though profits should rise sharply when the personnel division improves. Assuming a 7 per cent increase in earnings, they are on a prospective multiple of 15.2, which would seem to leave little room for improvement.

Japanese brokers banned from underwriting government bonds

By [redacted] Wagstyl in Tokyo

THE Japanese Ministry [redacted] Finance yesterday punished the country's scandal-tainted [redacted] Four [redacted] companies after they [redacted] Y43.5bn ($322m) in previously undis[redacted] compensation payments [redacted] trading [redacted] by [redacted].

Mr Ryutaro Hashimoto, the finance minister, [redacted] would ban [redacted] brokers – Nomura Securities, Daiwa [redacted] Nikko [redacted] Yamaichi Securities – [redacted] underwriting Japanese government bonds [redacted].

The penalty [redacted] being imposed [redacted] the [redacted] paid [redacted] some [redacted] clients for trading [redacted] incurred in [redacted] March [redacted]. The payments are sepa[redacted] from [redacted] paid to 230 [redacted] in [redacted] and [redacted] months ago.

The big four brokers yesterday published lists of clients who received compensation in 1990-91. As in 1987-90, the payments were largely made to large companies and their sub[redacted] along with small and medium-sized financial institutions.

Nikko paid out [redacted] largest sum – Y23.5bn to 23 clients – [redacted] by [redacted] with Y16.4bn [redacted] 14 customers, Daiwa with [redacted] 20 [redacted] Nomura with just Y435m to six.

The payments were made [redacted] Finance Ministry in [redacted] brokers [redacted] paying compensation. The payments, [redacted] as [redacted] Japanese stock market was falling sharply during 1990, mostly arose from the liquidation [redacted] *eigyo* [redacted] – special investment funds [redacted] for discretionary management to brokers.

[redacted] ministry had [redacted] rities companies [redacted] the sys[redacted] it [redacted] with [redacted] acting simultaneously as fund [redacted]. But clients found it difficult [redacted] accept the [redacted] these accounts in the [redacted] a declining market because liquidation would [redacted] them [redacted] heavy [redacted]. So the brokers paid compensation. Nikko said there had been many arguments with [redacted] fund [redacted].

[redacted] half [redacted] compensation revealed yesterday was paid out [redacted] small and medium-sized banks and finance companies: [redacted] investors [redacted] active in aggressive buying in [redacted] final [redacted] 1980s bull market. Other recipients included subsidaries [redacted] Marubeni, [redacted] trading group, Hitachi, [redacted] electronics [redacted] bine, and Mitsubishi Oil, an [redacted] group. Several public [redacted] employee pension funds were [redacted] named.

Meanwhile, Mr Hashimoto [redacted] ministry had found no evidence that Nomura had manipulated stock of Tokyu Corporation, a retail and property group.

The ministry has been investigating allegations that the company manuipulated Tokyu [redacted] in [redacted] it helped Mr Susumu Ishii, [redacted] leading gangster, buy a large block. Nomura admitted trading the stock heavily but denied manipulation.

Yesterday Mr Hashimoto [redacted] it would be difficult [redacted] prove Nomura had manipulated the [redacted].

Japanese economy hits [redacted] streak, Page 4

Mixed welcome for draft treaty on European union

By Ralph Atkins in London, Ronald van [redacted] in The Hague, and [redacted] Buchan in [redacted]

MR JOHN MAJOR, the British prime minister, [redacted] yesterday [redacted] "grave [redacted]" facing [redacted] European Community in trying [redacted] reach [redacted] treaty on political union but [redacted] latest [redacted] presidency plan was still "a basis [redacted] further negotiation".

Mr John Major made [redacted] deep-seated objections [redacted] references [redacted] "federal" Europe [redacted] other parts [redacted] draft Dutch [redacted] on political [redacted] as the [redacted] European union within his Conservative party appeared [redacted] reviving.

Mr Piet Dankert, [redacted] Dutch European [redacted] minister, said he had [redacted] "certain [redacted]ings" on the part [redacted] the UK [redacted] his government's plan to give [redacted] lawmaking power [redacted] the European Parliament.

However, [redacted] Dankert, [redacted] former European Parliament [redacted]ident, predicted that the concerns [redacted] the Netherlands' 11 [redacted] partners would [redacted] on the Dutch draft treaty provisions on external security.

Indicating the EC presidency's openness to amendments, [redacted] forecast that the [redacted] among [redacted] 12 would [redacted] powerfully influenced by the [redacted] planned [redacted] summit in November, [redacted] the 12 hope [redacted] final treaty agreement [redacted] Maastricht.

Mr [redacted] did not rule out calling an extra EC summit on political and monetary union before Maastricht.

[redacted] from [redacted] in [redacted] mixed, with Germany giving a special welcome to [redacted] proposed [redacted] in lawmaking powers [redacted] MEPs, while Britain warned that [redacted] success [redacted] Maastricht had now lengthened.

Italian diplomats said while Rome favoured much [redacted] substance [redacted] the Dutch proposals, [redacted] urged against [redacted] radical changes so late in the negotiations.

Mr Dankert [redacted] that the EC presidency had come under pressure from Bonn, but conceded that the Germans were [redacted] "leverage" by tying their [redacted] to monetary union to [redacted] deal on political union.

Background, [redacted] 2; Observer, Page 14

WORLDWIDE WEATHER

		°C	°F			[redacted]	°F			°C	°F			°C	°F			°C	°F
Ajaccio	[redacted]	26	79	Berlin	C	13	55	Caracas	C	28	82	Faro	F	25	77	Islamabad	F	[redacted]	88
Algiers	S	30	86	Biarritz	[redacted]	26	79	Casablanca	T	25	77	Florence	S	27	81	[redacted]	S	24	75
Amsterdam	C	19	66	Bombay	F	30	86	Chicago	R	10		[redacted]	C	19	66	Jakarta	[redacted]	32	90
Athens	S	27	81	Bordeaux	S	25	77	Cologne	C	20	68	Geneva	S	19	66	Jersey	S	20	68
[redacted]	S	33	91	Boulogne	F	20	68	Copenhagen	C	17	63	Gibraltar	S	28	82	Johannesburg	F	16	61
Bangkok	C	30	86	Brussels	S	22	72	Corfu	[redacted]	22	72	Glasgow	[redacted]	10	50	Lima	C	20	68
Barcelona	S	26	79	Budapest	S	20	68	[redacted]	F	21	70	Helsinki	C	12	54	Lisbon	T	21	70
Beirut	F	26	79	Buenos Aires	F	18	64	Dublin	F	[redacted]	57	Hong Kong	F	30	86	London	[redacted]	15	59
Belfast	R	14	57	Cairo	S	31	88	Dubrovnik	S	26	79	Innsbruck	S	21	70	Los Angeles	[redacted]	19	66
Belgrade	S	20	68	Cape Town	S	19	66	Edinburgh	C	11	52	Inverness	R	11	52	Luxembourg	Dr	16	61

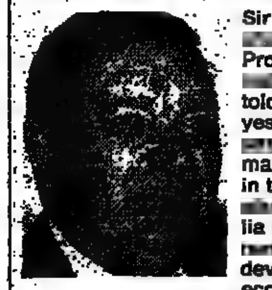
		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Madeira	F	24	75	Milan	C	24	75	Nicosia	[redacted]	28	82	[redacted]	S	20	68	Tenerife	S	27	81
Madrid	[redacted]	28	82	Montreal	F	8	46	Oporto	[redacted]	24	75	[redacted]	S	11	52	Tokyo	C	26	79
Majorca	S	28	82	[redacted]	F	13	55	Oslo	[redacted]	12	54	Seoul	S	23	73	Toronto	[redacted]	5	41
Malaga	F	26	79	Munich	S	21	70	Paris	C	20	68	Singapore	F	[redacted]	88	Tunis	F	27	81
Malta	F	27	81	Nairobi	C	26	79	Peking	S	22	72	Stockholm	R	10	50	Valencia	S	29	84
Manchester	C	[redacted]	61	Naples	S	27	81	Prague	C	17	63	Strasbourg	F	[redacted]	72	Venice	[redacted]	24	75
Manila	C	32	90	Nassau	–	–		[redacted]	S	7	45	Sydney	[redacted]	17	63	Vienna	S	20	68
Melbourne	S	16	61	New Delhi	S	33	91	[redacted]	[redacted]	25	77	Taipei	C	30	86	Warsaw	F	18	64
Mexico City	F	20	68	New York	F	17	63	Rio [redacted] Janeiro	C	26	79	Tangier	T	25	77	Washington	C	18	64
Miami	F	[redacted]	79	Nice	[redacted]	26	79	Rome	S	26	79	Tel Aviv	F	28	82	Zurich	S	20	68

Temperatures at midday yesterday C – Cloudy Dr – Drizzle F – Fair Fg – Fog [redacted] R – Rain [redacted] T – [redacted]

FINANCIAL TIMES
COMPANIES & MARKETS
Wednesday September 25 1991

INSIDE

Broken Hill chairman warns [illegible] results

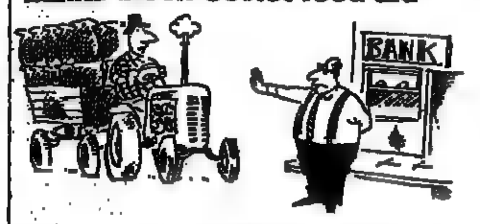


Sir Arvi Parbo (left), [illegible] Broken Hill Proprietary (BHP), Australia's [illegible] company, told [illegible] annual meeting yesterday that [illegible] unlikely to match [illegible] results in the coming [illegible]. He [illegible] lia [illegible] allowing opponents of resources development to threaten economic growth. "[illegible] with [illegible] reality [illegible] economic growth [illegible] the linchpin of our [illegible] well being," he [illegible]. Page 22

Coup [illegible] Holmes Protection

Dissident [illegible] in Holmes [illegible] Group, the London-listed but [illegible] security [illegible], appeared to [illegible] won [illegible] last night [illegible] special general meeting in London. Page 26

Banks block Soviet food aid



For [illegible] grain trade, deciphering Washington's signals on agricultural [illegible] Union has lately [illegible] tough chore. In spite of the [illegible] urgent pleas for food [illegible], Washington is still wrestling [illegible] respond. The problem [illegible] mainly in [illegible] commercial [illegible] finance the [illegible] purchases [illegible] though the US Department [illegible] Agriculture [illegible] given credit guarantees. Page 32

US Air Force buys Racal radios

[illegible], the UK group [illegible] last week [illegible] the subject [illegible] bid, yesterday [illegible] $12.7m [illegible] in the US, its first substantial [illegible] through in that [illegible]. Initially, the company will supply 600 [illegible] Scope Shield II radio system and related equipment [illegible] Air Force security police. Page [illegible]

More move into Mexico

[illegible] in Mexico's [illegible] helped foreign investment in the country's stock [illegible] to [illegible] $13.6bn in August, compared [illegible] $4bn at the end of January. Back Page

Montedison disposes of tissues

Montedison, the Italian chemicals [illegible] industrial [illegible], [illegible] selling [illegible] 50 per cent [illegible] in [illegible] Ja/Mont [illegible] paper joint venture for [illegible] to Cragnotti & Partners Capital Investment, [illegible] investment banking group created [illegible] year by [illegible] Sergio Cragnotti, [illegible] former top Montedison executive. [illegible] 20

Parretti in court debut

The [illegible] for [illegible] MGM, the Hollywood studio, [illegible] yesterday as Mr [illegible] Parretti, the [illegible] Italian [illegible] controlled [illegible] his US [illegible] debut [illegible] Crédit Lyonnais, [illegible] French bank [illegible] biggest [illegible]. Page 22

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Chief price changes yesterday

FRANKFURT (DM)				PARIS (FFr)			
Rises				**Rises**			
Mannesmann	[illegible]	+	10	Bancaire Cie	532	+	15
[illegible]	[illegible]	+	16	[illegible]	[illegible]	+	[illegible]
Springer Axel	545	+	10	Printemps	886	+	22
Falls				**Falls**			
Beiersdorf	780	−	10	[illegible]	[illegible]	−	19
Henkel Pf.	553	−	11	SILIC	[illegible]	−	[illegible]
Varta	319	−	[illegible]	Schneider	744	−	11
NEW YORK ($)				**TOKYO (Yen)**			
Rises				**Rises**			
Comp. Labs.	21⅛	+	2⅛	Daiwa Heavy	1010	+	[illegible]
Gen. Dynamics	44	+	2¼	TYK	1030	+	100
Metro Mobile	21	+	1⅞	Tokyo Elect	740	+	90
Falls				Yuasa Trading	405	+	80
Bell Atlantic	[illegible]	−	1⅜	**Falls**			
Chrysl	[illegible]	−	3½	Kodama Chem	503	−	[illegible]
US West	35⅞	−	1⅞	Nippon Carbon	[illegible]	−	[illegible]

New York prices at 12.30pm.

LONDON (Pence)							
Rises				**Falls**			
Adscene	[illegible]	+	10	ASDA	59½	−	4½
Domestic&Gen	753	+	25	[illegible]	626	−	[illegible]
Fired Earth	85	+	13	BPB Inds	177	−	[illegible]
Jones&Shipman	75	+	4	Brent [illegible]	[illegible]	−	[illegible]
Manna Dev	165	+	[illegible]	Dwyer	125	−	[illegible]
Mayborn	[illegible]	+	9	Ewart	70	−	[illegible]
P & P	119	+	10	First Nat Fin	113	−	13
Polypipe	219	+	11	Lep Group	[illegible]	−	16
Thames TV	225	+	14	Mirror Group	69	−	5
W'holme Rink	280	+	13	WPP	84	−	[illegible]
Yorklyde	202	+	13				

Bell Atlantic buys Metro Mobile

By Martin [illegible] in New York

BELL ATLANTIC, one [illegible] seven "Baby [illegible]" regional telephone companies, yesterday launched [illegible] $1.65bn agreed all-[illegible] Mobile CTS, [illegible] largest independent operator of [illegible] telephone [illegible] in [illegible] US. It will [illegible] take [illegible] some [illegible] Metro Mobile debt.

The deal marks a significant expansion of Bell Atlantic's cellular operations and a further consolidation of the fragmented cellular network.

Bell Atlantic enjoys a regional telephone monopoly on the eastern seaboard of the US, between New Jersey and Virginia, and as far West as Pennsylvania and West Virginia. It also has one of the two licences to operate cellular phone systems in these areas and has 22.1m "pops" – or head [illegible] population who could be served by its cellular network.

The acquisition of [illegible] Mobile will add 11.5m pops and greatly extend Bell Atlantic's cellular operations in the eastern US [illegible] its regional base. Metro Mobile has [illegible] strong presence in [illegible] England – particularly in Connecticut [illegible] enjoys [illegible] highest per capital incomes in the US – and in North and [illegible] Carolina.

[illegible] Mobile [illegible] has operations in [illegible] fast-growing south-west – in Arizona, [illegible] and El Paso, [illegible].

[illegible] Raymond Smith, chairman [illegible] Bell Atlantic, [illegible] deal [illegible] consolidate [illegible] position as [illegible] leading cellular company on [illegible] seaboard, and in [illegible] long term [illegible] help [illegible] to [illegible] annual earnings growth target [illegible] 6 per [illegible] and [illegible] per cent. However, [illegible] acknowledged that in the first full [illegible] deal would probably mean a 10-12 per dilution [illegible] Bell Atlantic's earn[illegible].

Metro Mobile, burdened with an extremely heavy debt load, had previously indicated that it [illegible] sell [illegible]. The [illegible] has [illegible] 800 employ[illegible] and [illegible] cellular [illegible] in 1982. More recently, however, it expanded into [illegible] and natural [illegible] busi[illegible] the puzzlement [illegible] Wall Street analysts. Bell will also [illegible] buying these [illegible].

Bell Atlantic [illegible] paying [illegible] per "pop" - a standard industry mea[illegible] – for [illegible] Mobile properties. Mr Kenneth Leon, an analyst [illegible] Bear Stearns, said this was in line with other recent cellular deals, given the high quality of the [illegible] franchises.

In morning trading, Metro Mobile's [illegible] $1⅞ [illegible] $21, while Bell Atlantic dipped $1⅜ [illegible] $46⅞.

Michelin optimistic despite FFr1bn loss

By William [illegible] in Paris

MICHELIN, the world's largest tyre-maker, yesterday reported that its net group loss for the first half of the year had almost trebled to FFr1.06bn ($170m). However, it said its recovery was still proceeding on target.

The [illegible], headed by chairman Mr François Michelin, forecast that it would break even at [illegible] pre-tax [illegible] – after finance charges but before restructuring costs – in the final months of [illegible] in spite of [illegible] downturn in the [illegible] pean car markets.

This points to a sharp reduction in this year's group net loss, forecast by stockbro[illegible] analysts at between FFr1.5bn and FFr2bn, as against FFr4.8bn in 1991.

Michelin's published turnover rose to FFr32.97bn in the first half, [illegible] time. Last year's figures include the first contribution from Uniroyal Goodrich, [illegible] US tyre-maker which [illegible] took over [illegible] came into the accounts from May 1990.

Pro forma turnover fell by 1.1 [illegible] cent, [illegible] FFr27.19bn [illegible]. Within [illegible], [illegible] volume fell by 4.3 per cent, but Michelin was able to limit the impact by increasing prices and selling more replacement tyres, where margins are bigger than on sales to carmakers.

If the market follows Michelin's US and European price rises on replacement tyres – and so allowing the new prices to stick – there will be a FFr300m gain to sales and profits this year, said officials.

Operating profits fell from FFr1.61bn to FFr1.26bn in the first half, where they were easily wiped out by a 45 per cent rise in interest charges, from FFr1.06bn to FFr1.54bn.

The interest increase reflects the debts built up to fund the acquisition of the heavily-borrowed Uniroyal Goodrich. The net lost in the first half of last year was FFr363m.

Since the end of last year, net debts have risen further, from FFr28.5bn to FFr31.6bn by the end of June, representing 169 per cent of shareholders' funds. Of that increase, nearly 60 per [illegible] is due to the rise in the dollar's value. In spite of the debt burden, officials stressed there were no immediate plans for a rights issue.

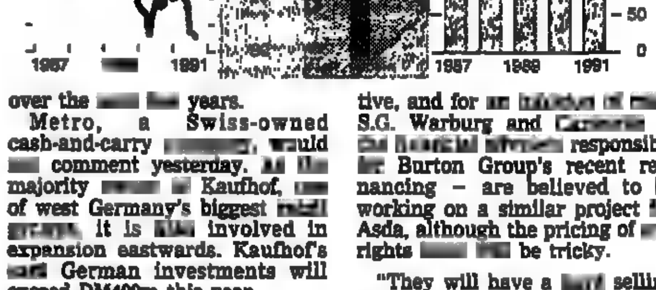
The pre-tax loss was FFr290m in the first half, as against a FFr548m profit. Exceptional charges rose from FFr402m to FFr632m, mainly because of the cost of the first steps in reducing Michelin's workforce by 15 per cent, or 16,000 people, in the two years to the end of 1992.

Michelin expects around FFr1bn of exceptional charges in the current half, possibly rising to FFr1.4bn. It also expects to have reduced stocks by 10 per cent by the end of the year so that they stand at 25 per cent of turnover.

Lex, Page 16; Pirelli, Page 20

John Thornhill looks at a problem-hit grocery chain that is angering UK investors

Questions over Asda's shelf-life



Asda, [illegible] larg[illegible] grocery [illegible] with [illegible] of [illegible] market, [illegible] badly [illegible] with investors.

The company's [illegible] chief executive to replace Mr John [illegible] – [illegible] abruptly quit in June – [illegible] institutional investors, who perceive the company to be drifting without direction at a time when it urgently [illegible] a clear strategy.

Shareholders were further incensed by [illegible] Godfrey Messervy's [illegible] week. The departing chairman told [illegible] company's annual meeting of a "very significant deterioration" in projected profits for the current year.

And speculation in the market that Asda will seek fresh funds to reduce its mountain of debt – estimated at [illegible] than [illegible] ($1.74bn) – [illegible] thrown up further uncertainty, which [illegible] company has declined [illegible] dispel.

All these worries are reflected in Asda's shares which are 59½p, or less than a third of the high they reached in 1987. The market values Asda at only £710m, a level surely low enough to attract a potential predator, if one exists.

Some analysts speculate [illegible] Asda will not be around in its present form for much longer. The company's competitors certainly mutter [illegible] much under their breath. And several institu[illegible] privately [illegible] for a takeover by a continental competitor believing this would be in the [illegible] interests [illegible] employees, consumers and, of [illegible], the funds they manage.

That Asda should have reached such an state is an indictment of its management. "I think the company is solely at fault for the mess it has got itself into," says one fund manager.

Asda's problems have not emerged overnight, however, and institutional shareholders must share some responsibility for allowing them [illegible] persist. "Asda has stood still for years in a mar[illegible] in which you cannot [illegible] to stand still [illegible] a month," says one industry observer.

Although it was the first chain to [illegible] potential [illegible] edge-of-[illegible] superstores, [illegible] steadily lost ground to its ferocious rivals, J. Sainsbury, Tesco and Safeway, which all seized upon on the benefits of centralised distribution systems, the development of own-label products and computerised point-of-sale equipment.

There appeared to be few [illegible]plaints [illegible] institutions [illegible] the company expanded away from its heartland in the north of England to compete head-on with Tesco and Sainsbury [illegible] the south, and wasted management effort on briefly diversifying into home furnishings. Nor was there much opposition when the company paid £705m to buy 60 Gateway stores in 1989, largely the cause of Asda's debt problem.

[illegible] discontent was partly responsible for Mr [illegible]man's departure. This has [illegible] the [illegible] rudderless, how[illegible] while [illegible] have been [illegible] the initiative by tapping the equity [illegible].

However, [illegible] investors defend themselves against such criticism and deny that they were responsible for ousting Mr Hardman before a new management team could be put in place.

Mr Roger Yates, a [illegible] with Morgan Grenfell Group, [illegible] a [illegible] shareholding in Asda, says: "I think the role of behind-the-scenes [illegible] pressure can be overstated. I have never been in any smoke-filled rooms myself."

The institutions also suggest it is not their job to run a company; they can only ensure [illegible] composition of the board is such that effective executive management can be implemented. "At the end of the day it is up to the management to manage," [illegible] one fund manager.

What clearly emerges [illegible] that the institutions can highlight problems and prevent the worst of excesses but can propose few, [illegible].

Prof Paul Marsh, of the London Business School, argues that the nature of institutional shareholdings militates against investors taking early action.

[illegible] companies [illegible] time, [illegible] "institutional interventions by [illegible] large [illegible]. You [illegible] until the problems are [illegible] recognised."

[illegible] now suggest [illegible] recruit [illegible] credible [illegible] executive, [illegible] out [illegible] balance sheet, retrench [illegible] and trading area [illegible] develop and communicate an [illegible] strategy for [illegible] future.

"Either [illegible] company [illegible] to be soundly financed with a quality [illegible] team in place or [illegible] better for all con[illegible] if it became part of [illegible] wider group with stronger finances," [illegible] one big institu[illegible] investor.

A bid from one of the big three UK food retailers would almost certainly be blocked on competition grounds. Continental retailers such as Metro International, Tengelmann and Aldi do not face this problem, and [illegible] in London [illegible] potential [illegible]. Seen from Germany, however, such prospects seem slimmer. Local retailers [illegible] focusing their [illegible] opportunities offered by re-unification.

Tengelmann, the privately-[illegible] supermarket company [illegible] controls [illegible] in the US and [illegible] (recently reduced) [illegible] in [illegible] Gateway chain, [illegible] denied [illegible] in [illegible]. It plans to [illegible] around DM300m ($180m) a year in [illegible] Germany over the [illegible] years.

Metro, a Swiss-owned cash-and-carry [illegible], would [illegible] comment yesterday. [illegible] majority [illegible] Kaufhof, [illegible] of west Germany's biggest [illegible], it is [illegible] involved in expansion eastwards. Kaufhof's [illegible] German investments will exceed DM400m this year.

Aldi has already [illegible] UK market in its own right, with [illegible] distinctive formula of low prices and tightly controlled product ranges.

Meanwhile, Asda [illegible] on with its [illegible] for a [illegible] executive, and for [illegible] S.G. Warburg and [illegible] – [illegible] responsible [illegible] Burton Group's recent refinancing – are believed to [illegible] working on a similar project [illegible] Asda, although the pricing of [illegible] rights [illegible] be tricky.

"They will have a [illegible] selling job to do," [illegible] fund man[illegible]. Another says: "Betting blind on [illegible] non-existent management team is quite a hard thing to ask [illegible] do."

Additional reporting by Andrew Fisher [illegible] Frankfurt.

Robert Maxwell sues BBC

By Raymond Snoddy and [illegible] Maddox in London

MR ROBERT MAXWELL, the publisher, yesterday served a writ for libel and malicious falsehood against the BBC over [illegible] television programme on Monday night which looked at the Maxwell [illegible] empire. [illegible] BBC said it would defend the writ.

Shares in Maxwell Communica[illegible] Corporation ([illegible]) fell [illegible] to 163.5p yesterday on turnover of 3.5m shares. Shares in Mirror Group Newspapers ([illegible]), [illegible] other [illegible] company, fell [illegible] to 89p.

[illegible] with [illegible] as [illegible] importance of intangible [illegible] MCC, the [illegible] number of MGN [illegible] such as Spot the Ball and [illegible] that influ[illegible] the [illegible] price last autumn.

Mr Maxwell said [illegible] programme [illegible] substantially [illegible] old [illegible] which had [illegible] disproved. "I will add only one example [illegible] disprove [illegible] the intangibles in Maxwell Communication Corporation's 1990 balance sheet were overstated. Pergamon Press represented just over 10 per cent of the intangibles at £240m ($418m). Pergamon was sold in May for £445m cash," Mr Maxwell said.

Mr Ernest Burrington, manag[illegible] of [illegible], [illegible] "Our [illegible] been and are [illegible] usual [illegible] practices in [illegible] way [illegible] competitors."

[illegible] yesterday [illegible] disposals [illegible] were planned [illegible] Christmas, and [illegible] announced within [illegible].

If completed, the disposals would settle a large part of the next $750m debt repayment due by October 1992. MCC's present net debt is believed to be £1.35bn.

Heading the list of likely candidates for disposal is Berlitz, the language and educational publisher, 56 per cent owned by Maxwell Communication and 44 per cent floated on the New York Stock Exchange. At yesterday's price of $18.75, it is valued at $356.3m.

Other probable disposal candidates are Macdonald books in the UK, and a school books joint venture with McGraw Hill, the US publisher. Earlier this week MCC sold Maxwell Macmillan Professional and Business Reference Publishing, a loss-making US subsidiary, to Thomson Professional Publishing for £56.5m.

PolyGram to expand film interests

By Michael Skapinker in London

[illegible] music company [illegible] per [illegible] owned by Philips [illegible] Netherlands, [illegible] spend [illegible] expanding [illegible] film [illegible].

PolyGram says it will [illegible]trate on [illegible] and medium-budget films, in [illegible] Philips's rivals, Sony [illegible] bought large Hollywood [illegible].

[illegible] music company will [illegible] majority control [illegible] Propaganda Films, which [illegible] Truth or [illegible] – In [illegible] with Madonna, [illegible] Working Title, [illegible] London-based [illegible] company which [illegible] My [illegible].

PolyGram [illegible] stake in [illegible] nies and said the level of its new shareholding [illegible] yet been agreed but it was possible it would be 100 [illegible].

PolyGram [illegible] at [illegible] eight [illegible] annually [illegible] the [illegible] produced by Propaganda, Working [illegible] Films, a wholly-owned PolyGram subsidiary. [illegible] films will have budgets ranging from [illegible].

Philips's strengthening, through PolyGram of [illegible] part [illegible] by [illegible] electronics groups to [illegible] of [illegible] of equipment such as [illegible] cassette recorders and the films played [illegible].

PolyGram's film ambitions are more [illegible] than [illegible] Sony, [illegible] paid [illegible] for Columbia [illegible] in [illegible], or [illegible] bought MCA, owners [illegible] Universal Pictures, [illegible] $6.1bn. Both companies, however, have had difficulty running their US acquisitions and the benefits [illegible] being [illegible] in consumer electronic manufacturing [illegible] film production are unproven.

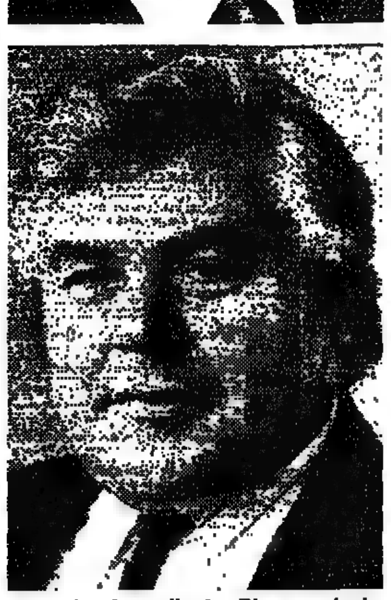
Mr [illegible] Levy, PolyGram's [illegible] yesterday that PolyGram's increased [illegible] in films [illegible] relatively little.

THE ASTRA AFFAIR

The takeover that blew up in Astra's face

Neil Buckley, Paul Abrahams and Richard Donkin on how the UK arms maker was misled





Explosive ingredients: Big gun designer Gerald Bull, pictured right (next [illegible] gun barrel) in 1965. Clockwise from [illegible] left: Hervé de Carmoy, Jean Duronsoy, Gerald [illegible] and Chris Gumbley

F[illegible] as long [illegible] anyone could remember, before it was bought by a group [illegible] entrepreneurs in [illegible] [illegible] was one [illegible] those [illegible] year [illegible] companies that lit up the sky and its balance sheet on November 5. Then [illegible] fizzled like [illegible] damp squib for the remainder [illegible].

Gerald [illegible] and Christopher Gumbley – an unlikely pairing, one an upper-crust chartered accountant, the other [illegible] former army corporal – formed [illegible] the [illegible] that bought [illegible] on [illegible] 10-year [illegible] to transform [illegible] straightforward fireworks manufacturer into [illegible] leading international armaments [illegible] capable [illegible] taking [illegible] the UK's market leader, Royal Ord[illegible].

The story [illegible] how this [illegible] pyrotechnics [illegible] acquisitions throughout [illegible] arms industry [illegible] flared briefly before it [illegible] but [illegible] out is perhaps one of [illegible] most intriguing corporate [illegible].

[illegible] players [illegible] corporate finance business, captains [illegible] industry [illegible] the twilight world [illegible] the intelli[illegible] community. It [illegible] in financial ruin for two men, [illegible] downfall [illegible] and the end [illegible] to build [illegible] largest gun [illegible] world has ever [illegible].

One [illegible] lasting questions [illegible] by former [illegible] board [illegible] how [illegible] came [illegible] guided along an acquisition trail [illegible] led to Poudreries Réunies [illegible] Belgique.

[illegible] they [illegible] they [illegible] blame [illegible] Astra's downfall, [illegible] they also badly advised by people and companies [illegible] should have [illegible] better?

[illegible] seeds [illegible] Astra's problems were sown in [illegible] number of [illegible] takeovers, including [illegible] acquisition of the British Manufacture and [illegible] Company [illegible], an ammunition company [illegible] subsidiary [illegible], based [illegible] Grantham in Lincolnshire.

The [illegible] funded by a [illegible] rights [illegible].

Gerald [illegible] says [illegible] board had been told by [illegible] Levene, then head of procurement at the Ministry of Defence, that [illegible] a competitor [illegible] Royal Ordnance (now a British Aerospace subsidiary), [illegible] at the [illegible] had a near-monopoly on ammunition supplies to [illegible].

Astra executives thought this [illegible] they would be able [illegible] compete [illegible] on with Royal [illegible] on all [illegible] they [illegible] disappointed. [illegible] Astra completed [illegible] takeover of BMARC, the MoD had signed a deal [illegible] Explosives and Propellants Agree[illegible]. This assured 80 per [illegible] ammunition [illegible] would automatically [illegible] Royal Ordnance for [illegible] five [illegible] leaving 20 per cent open [illegible] competition.

If the BMARC deal turned [illegible] be [illegible] costly mistake, the acquisition of PRB would turn out [illegible] catastrophic. According [illegible] a lengthy report on Astra, lodged with the Department [illegible] Industry [illegible] James, [illegible] former chairman, the purchase of PRB was first [illegible] in the [illegible] of 1988 by [illegible], the then merchant bankers [illegible] advisers of Astra.

Encouraged, according to James, by [illegible] investors, [illegible] enthusiastically pursued [illegible] deal that [illegible] bring the company [illegible] knees. On July 17, [illegible] James signed [illegible] 73-page contract that would eventually give him control of PRB, the [illegible] Gechem, [illegible] holding [illegible], held their breath. They [illegible] thing [illegible] not. [illegible] being [illegible] pup. [illegible] that [illegible] acquisition [illegible] shoot his [illegible] into the [illegible] division of [illegible] lived.

Monday September 11, 1989 [illegible] surprises for [illegible] Astra management [illegible] in the [illegible] covery [illegible] would [illegible] reach [illegible] BFr6bn [illegible] target quoted during negotiations by Gechem. The shortfall [illegible] by [illegible] Duronsoy, [illegible] executive. The [illegible] implications [illegible] grim. Instead of contributing profits [illegible] BFr150m, [illegible] Belgian subsidiary [illegible] likely [illegible] prove [illegible] significant drain on Astra's already [illegible] position.

This hammer blow came when Astra [illegible] already reeling from being told by PRB executives earlier in the week of an order for Jordan, placed by [illegible] by Gerald Bull, [illegible] expert. They suspected the [illegible] were really for Iraq and Bull's life-long project [illegible] build the world's biggest gun.

[illegible] handed over full details of the orders to MI6. The problem [illegible] a potentially thorny one [illegible] the British government, which had just been told that the Belgian subsidiary of a quoted British company was [illegible] gunpow[illegible] almost certainly destined [illegible] Iraq. This was technically a [illegible] policy on arms [illegible] Iraq, though it was [illegible] illegal since the guardians [illegible] that policy were [illegible] and Excise, which only [illegible] jurisdiction [illegible] exports from the UK. In fact, MI6 [illegible] ing to [illegible] batch of propellant.

The potential embarrassment [illegible] the [illegible] neatly disappeared [illegible] the year [illegible] out. In December, [illegible] explosion at PRB's Kaulille plant in northern Belgium wrecked [illegible] press [illegible] in [illegible] propellants [illegible] the Iraqi [illegible]. [illegible] months later, in March [illegible] Gerald Bull was [illegible] dead outside his Brussels flat. An hour earlier he had finished [illegible] day-long meeting with Christopher Gumbley, former [illegible] Astra.

Bull had produced sensitive documents [illegible] the meeting but exactly [illegible] he told Gumbley [illegible] fully revealed. Company sources [illegible] Bull sympathised with Astra [illegible] stage, he, too, [illegible] interested in buying PRB [illegible] behalf of Iraq. A third man at [illegible] meeting, Harald Crantz, [illegible] of Bull, [illegible] terrified [illegible] hearing [illegible] murder that he barricaded himself in [illegible] room and left for Austria on the [illegible] available flight.

Gumbley [illegible] just [illegible] off [illegible] Astra board [illegible] looking for any help he could get. By spring [illegible] full [illegible] the catastrophe [illegible] Astra had [illegible] clear. [illegible] company [illegible] plunged into [illegible] red, recording [illegible] of [illegible] – [illegible] largely [illegible] by [illegible] – compared with [illegible] profit analysts had [illegible] lier predicted. [illegible] price would plummet to a low [illegible] 5.5p from [illegible] peak [illegible] 170p.

[illegible] help [illegible] shareholders had ousted all but one [illegible] the [illegible] – [illegible] four [illegible] them were soon [illegible] by [illegible] police. One, Gumbley, was [illegible] jailed for bribing [illegible] MoD official.

In July [illegible] became one [illegible] Belgium's biggest-ever corporate bankruptcies. [illegible] 1,400 employees [illegible] their jobs. During [illegible] against [illegible] in the cen[illegible] Brussels, [illegible] woman was killed by a stray police bullet. Troops were called out to guard the munitions sites after an incident [illegible] nearly a second explosion at one of [illegible] plants.

In 1989, Astra was told that PRB, which had made heavy losses in the previous two years, was set to make BFr150m

The trail to PRB's demise had started in 1988, when Société Générale de [illegible], [illegible] main shareholder, emerged from its year-long takeover battle [illegible] Carlo de Benedetti, the Italian financier, and decided to dispose [illegible] its [illegible] profitable [illegible].

The loss-making munitions [illegible] a prime candidate [illegible] disposal. Closure [illegible] ruled [illegible] the costs [illegible] clearing polluted sites, disposing [illegible] tonnes [illegible] high-explosive and laying [illegible] 1,400 employees.

[illegible] Jean Duronsoy had announced in November [illegible] PRB was for sale, [illegible] already in [illegible] with [illegible] a possible purchase. Strategically, it [illegible] a perfect match. PRB would give [illegible] access [illegible] new technology [illegible] plant. Early in 1989, [illegible] was [illegible] PRB, which had made substantial [illegible] the previous two [illegible] make a profit [illegible] year [illegible] BFr150m, on a [illegible] of [illegible].

[illegible] grievously misled. At [illegible] start of [illegible], internal management reports showed [illegible] potential orders for [illegible] year [illegible] only BFr5.5bn, plus a risky [illegible] for [illegible]. Even [illegible] figure [illegible] maximum, because [illegible] for PRB [illegible] 10 months and [illegible] on [illegible] the start of the year [illegible] unlikely [illegible] make it [illegible] year's turnover.

The [illegible] position [illegible] and the turnover [illegible] reversed downwards in [illegible], and again in May, [illegible] "realistic" figure of [illegible], a shortfall equivalent to £12.5m compared with the figure given to Astra. Phillipe Glibert, PRB's deputy general manager, signed his May report, [illegible] to [illegible] PRB board "douloureusement votre" ("yours painfully").

The Gechem [illegible] negotiating the company [illegible] and PRB managers had been warned by Duronsoy not [illegible] talk to Astra. PRB [illegible] ment only found [illegible] happening when, [illegible] end [illegible] May, they saw that a piece of [illegible] accidentally left behind by René Gregoire, Gechem's finance director, showed [illegible] projections being given [illegible] did [illegible] include the downgraded [illegible] figures.

[illegible] first thing that [illegible] did was to think [illegible] their own skins. Guy [illegible] Philippe Glibert warned Duronsoy in a memo: "[illegible] perception [illegible] today [illegible] probable [illegible] in important figures will certainly [illegible] position of [illegible] pres[illegible] management perilous [illegible] day after the acquisition, if [illegible] ahead."

Cardinael followed-up the [illegible] with a [illegible] strongly worded [illegible] that [illegible]: "It [illegible] useful [illegible] mention [illegible] all [illegible] with [illegible] been based [illegible] scenario established in October 1988. For various [illegible] (notably politics) this [illegible] held true, [illegible] has [illegible] revised downwards since [illegible]. To [illegible] knowledge, the management of Astra [illegible] not up to now been informed of this by Gechem." [illegible] understatement [illegible] memo added: "The (PRB) management anticipates a negative [illegible] from [illegible] new [illegible]."

Three [illegible] this [illegible] written, Astra [illegible] binding agreement for [illegible] acquisition [illegible], still unaware [illegible] the changes in PRB's [illegible] projections.

T[illegible] agreement in July [illegible] full rights [illegible] access [illegible] PRB's documents until completion of the deal in September. In practice, [illegible] controlled the flow [illegible] information. [illegible] internal note from Philippe Jous, [illegible] legal adviser, to Duronsoy, remarked: "The management [illegible] PRB [illegible] without delay inform Gechem – and only Gechem – [illegible] any [illegible] or circumstance which could modify the financial [illegible] commercial situation [illegible] PRB. Once again, it is up [illegible] Gechem [illegible] extent [illegible] of this type should [illegible] should not [illegible] transmitted [illegible] Astra."

Gechem did not inform Astra [illegible] final downwards revi[illegible] the turnover, [illegible] though [illegible] had [illegible] to consult regularly [illegible].

A report by Glibert in August concluded [illegible] turnover target [illegible] now just [illegible] BFr4.8bn, [illegible] equivalent of more than £18m [illegible] than the figure quoted [illegible] – [illegible] PRB [illegible] the year.

This information was clearly known [illegible] Duronsoy [illegible] final completion, but [illegible] passed on. Instead, [illegible] until Sep[illegible] 18, [illegible] week [illegible] the [illegible] completed, [illegible] letter [illegible] finally revealed: "Present [illegible] PRB results for 1989 [illegible] disappointing and [illegible] much [illegible] cerned." There was likely [illegible] slippage in turnover, he said, [illegible] "roughly BFr1bn".

The result [illegible] this [illegible] quite clear to PRB. The company had prepared [illegible] report in September which suggested losses for 1989 [illegible] £11m.

Gechem, [illegible] its defence, claims [illegible] and [illegible] ample opportunity [illegible] establish PRB's true position; and it points out that no predictions about turnover were included [illegible] any [illegible] the contracts.

'When I heard they [illegible] going to pay £20m for PRB I nearly collapsed' – former Astra [illegible]

Duronsoy [illegible] and its accountants were given adequate access to [illegible] but argued that [illegible] company did not take full advantage of the opportunity.

"I don't know why Astra was surprised [by the turnover figures]. I have been told a lot less during acquisitions than what we told [Astra during the PRB sale]," Duronsoy told the Financial Times.

"During the summer of 1989 we [illegible] question [illegible] was capable [illegible] taking [illegible] company . . . We [illegible] they [illegible] not taking [illegible] seriously," [illegible] Jous, [illegible] legal vice-president.

Gechem's other main [illegible] is [illegible] no [illegible] did the various contracts and [illegible] understanding [illegible]. Furthermore, although [illegible] a warranty in [illegible] final [illegible] which guaranteed a profit [illegible] PRB [illegible] BFr150m, [illegible] no further compensation available in [illegible] a loss.

The [illegible] of [illegible] for potential [illegible] – [illegible] spite [illegible] PRB's combined [illegible] before tax during 1987 and 1988 of more than BFr2.4bn – is cited by the present Astra board as one of the reasons they accepted compensation of £3.3m by Gechem and had not pursued legal action in 1990. They realised also that legal action could take up to five years and at the time the com[illegible] desperate for any [illegible] it [illegible] hands on.

[illegible] management [illegible] the [illegible] for the fiasco, according to the company's present management, which says that anyone reading the warnings in Stoy Hayward's report about PRB before the acquisition should not have proceeded with the purchase.

Although Astra was one of fastest-growing companies of the 1980s, former employees are less than complimentary about the skills [illegible] its management.

One former associate noted: "Buying PRB was the maddest thing they ever did. [illegible] in the pyrotechnics business knew it had [illegible] technically bankrupt for years. When I heard they were going to pay something like £20m for it I nearly collapsed."

In his statement to the DTI, however, [illegible] has stressed [illegible] he and Gumbley [illegible] being enthusiastically encouraged to get on with the deal by executives whose experience and views they respected.

One of the main supporters, [illegible] James, [illegible] Stephan [illegible], a non-executive [illegible] and former consultant to [illegible] Midland Bank [illegible] only boardroom survivor [illegible] PRB acquisition. Kock [illegible] the matter.

This may be an attempt [illegible] the blame, although [illegible] feels that [illegible] individuals on both sides of the deal could have done more to oversee [illegible] on. Only a [illegible] months earlier [illegible] Carmoy, [illegible] chairman [illegible] Gechem, had left the most highly paid post at Midland as head of the International Division.

De Carmoy, the chief executive of Société Générale de Belgique at the time of the PRB sale has stressed that he had no [illegible] in the sale negotiations.

"You have [illegible] understand there were 1,200 companies in Société Générale de Belgique [illegible] time," he [illegible].

[illegible] has urged the DTI [illegible] take [illegible] of connections [illegible] individuals, [illegible] with former intelligence backgrounds [illegible] took a [illegible] interest in Astra's affairs throughout [illegible] history [illegible] would appear [illegible] beyond [illegible] inquiry's remit.

That PRB [illegible] dealing in [illegible] dirty business, often with exorbitant amounts paid in commission to third parties who do little but "arrange" [illegible] deal, became [illegible] in the immediate aftermath of [illegible] as [illegible] and PRB [illegible] of impropriety. The [illegible] of commissions on some export con[illegible] is one outstanding area [illegible].

In March [illegible], Gerald James resigned as chairman. His replacement was Roy Barber, who had previously been [illegible] a non-executive [illegible] the suggestion of Prudential. Two [illegible] later, during a stormy board-meeting, [illegible] asked [illegible] the resignations [illegible] Astra's executive directors, following revelations they [illegible] known [illegible] Gumbley, Astra's [illegible] executive, had [illegible] officials.

After [illegible] appointment as chairman [illegible] Astra, Barber initially [illegible] a tough line with [illegible], threatening to [illegible] the contract if the Belgian [illegible] did not buy back PRB [illegible] £20m paid. [illegible] eventually accepted the £3.3m settlement.

Barber justified the small amount by arguing the money was [illegible] urgently [illegible] pay [illegible] company's [illegible].

The chances [illegible] the DTI inspectors [illegible] the full story of the Astra debacle are [illegible]. The DTI has no right to subpoena Belgian nationals living in Belgium.

And although some Belgian participants in [illegible] have agreed to complete questionnaires containing up [illegible] 250 questions, many have refused [illegible] give any [illegible].

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Prices for Trading on 23.09.91: Pool purchase price £/MWh	Final Prices for Trading on 22.09.91: Pool purchase price £/MWh	Pool selling price £/MWh
0030	15.86	15.69	15.69
0100	15.86	15.69	15.69
0130	15.86	15.61	15.61
0200	15.86	15.58	15.58
0230	15.86	15.58	15.58
0300	15.85	15.55	15.55
0330	15.85	15.55	15.55
0400	15.84	15.50	15.50
0430	15.85	15.55	15.55
0500	15.85	15.58	15.58
0530	15.85	15.61	15.61
0600	15.85	15.65	15.65
0630	15.96	15.95	15.95
0700	16.25	15.67	15.67
0730	17.65	17.57	19.46
0800	23.95	18.64	20.56
0830	24.67	18.74	20.67
0900	26.12	22.77	24.86
0930	27.23	22.99	25.11
1000	27.86	23.09	25.24
1030	27.92	23.10	25.25
1100	27.91	23.10	25.25
1130	28.78	23.22	25.41
1200	29.51	24.80	27.01
1230	28.76	24.69	26.87
1300	26.92	24.46	26.59
1330	24.85	22.71	24.76
1400	24.20	22.62	24.64
1430	24.01	22.62	24.64
1500	24.01	26.33	28.40
1530	24.11	26.34	28.41
1600	24.71	24.18	26.26
1630	25.86	24.25	26.37
1700	26.70	26.47	28.62
1730	26.13	26.41	28.54
1800	24.86	22.61	24.66
1830	23.75	20.24	22.19
1900	23.56	20.23	22.18
1930	24.96	18.38	20.28
2000	24.75	16.11	16.11
2030	24.86	18.66	20.60
2100	24.37	25.23	27.31
2130	23.64	25.23	27.31
2200	18.60	25.23	27.29
2230	17.62	18.27	20.15
2300	17.30	17.65	19.52
2330	16.14	17.65	19.62
2400	15.90	17.57	19.45

[illegible] are determined for every [illegible] in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to [illegible] per kilowatt-hour the decimal point should be moved one place to the left, eg [illegible] [illegible] Provision [illegible] determination of pool prices is [illegible] in [illegible] Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through [illegible] pool. The provisional Pool [illegible] subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

The mysteries of the biggest gun

ASTRA had an unusual rival in the race to buy [illegible] Réunies de Belgique: Gerald Bull, the mastermind behind Saddam [illegible] build the [illegible] gun.

In March 1990, Bull was found slumped outside his flat in [illegible] Brussels suburb. Five bul[illegible] had been fired into the back of his head, the unknown [illegible] putting an end to his dream [illegible] building a gun [illegible] ble [illegible] firing [illegible] satellite into orbit.

[illegible] year earlier, [illegible] was told, an attempt by Bull to purchase PRB had [illegible] rejected by Gechem on the grounds that it was backed [illegible] Iraqi money.

However, the Bull offer may have been taken more seriously than [illegible] been suggested. As early as autumn 1988, he had approached Gechem with an offer [illegible] buy three-quarters of [illegible] troubled subsidiary [illegible] "symbolic price". In addition, [illegible] would provide a series [illegible] contracts [illegible] including China, Pakistan, Jordan and Iraq.

In return, Gechem [illegible] to ensure it received permission to export [illegible] these [illegible]. Gechem approached the Belgian government for such an undertaking, but in spite [illegible] its [illegible], [illegible] for Iraq [illegible] never granted, [illegible] the Bull [illegible] fell through.

In the meantime, Bull had already brought [illegible] one order to PRB. Worth a total of BFr190m (£3.2m), it was for propellants [illegible] Jordan: 25 [illegible] for a project [illegible] as System [illegible] tonnes for System 1,000.

Some PRB employees, knowing [illegible] Bull's [illegible] in Canada on producing a long-range gun in the [illegible] grew suspicious that he might be working on something similar again. Jordan was unlikely [illegible] funding such a project, and its reputation as a conduit for exports to Iraq [illegible] well-established. Their fears, however, were dismissed at a meeting of PRB's ethics committee, chaired by [illegible] Duronsoy, Gechem's chief executive, and production went ahead.

[illegible] shipments of the "System 350" propellants went [illegible] Jordan. These, [illegible] transpired, were [illegible] Baby Babylon, the 350mm-calibre prototype gun. Production [illegible] the [illegible] the order, destined [illegible] Project Babylon, [illegible] 1,000mm-calibre supergun itself, was slowed by delays in receiving [illegible] specifications. [illegible] was halted by a mysterious explosion at PRB's Kaulille plant in December 1989.

Speculation still abounds over whether the explosion was sabotage. At the time, the Israeli intelligence service, Mossad, [illegible] widely suspected.

Insurance company inspectors, however, found no evidence of sabotage, and concluded the most likely cause was an air pocket in the propellant that was subjected to high pressure in the press, causing it to heat up and ignite the explosive. Such accidents, say former PRB employees, can happen.

Three months earlier, somewhat disbelieving Astra executives had learned of the supergun contract within days of gaining control of PRB.

Chris Gumbley, Astra's chief executive, and another manager, John Pike, met a senior official at the MoD's Defence Exports Sales Organisation and told him of their discovery.

For [illegible] while, they heard nothing. Officials in British intelligence contacted by the MoD were initially sceptical of Astra's story. On making inquiries they discovered the supergun project was known within the security services.

They were, however, reluctant [illegible] instruct the company to break a contract valid under Belgian law, and instead ordered the project [illegible] continue.

Meanwhile, Belgian intelligence was asked to investigate further. Shortly afterwards, the problem was apparently removed by the Kaulille [illegible]sion.

This [illegible] not the end of Astra's links with the supergun. Shortly [illegible] being ousted from Astra's board, Gumbley was invited [illegible] Brussels by Bull, although the two had never met.

They were together for a large part of March 22, 1990, the day Bull was shot. Precisely what was discussed at the meeting has never been revealed, but it is believed that Gumbley was shown documents including what appeared to be a surveillance report on a member of PRB's management.

British and Belgian intelligence, as well as their US counterparts, knew very well [illegible] Mr Bull's work in Iraq. Their apparent willingness to allow the project to continue for so long has never been explained.

Neil Buckley

Ambroveneto [redacted] likely buyer of Citibank Italia

By Haig Simonian

BANCA Ambrosiano Veneto (Ambroveneto), Italy's biggest private-sector financial institution, has emerged as the [redacted] runner [redacted] buy Citibank Italia, the 46-branch retail banking chain owned by Citibank [redacted] the US.

Separately, the Italian bank is also [redacted] announce later this week [redacted] acquisition of a [redacted] per [redacted] stake in Cabotto, the small Milan-based finance house controlled by Pirelli.

Ambroveneto's board met yesterday [redacted] its six-month results, which [redacted] a [redacted] per [redacted] rise in operating profits [redacted] L343bn ($273.5m). Despite the more difficult [redacted] nomic conditions in Italy, [redacted] lending rose by 15 per cent to L14,226bn, while [redacted] deposits increased by 8 [redacted] L15,168bn.

Although the board had been expected [redacted] examine prelimi[redacted] a Citibank [redacted] acquisition, the subject was not [redacted] meeting, according [redacted] an Amroveneto official. "The bank [redacted] still evaluating its plans," [redacted] said.

Ambroveneto, which [redacted] currently expanding its branch network [redacted] new outlet [redacted] week, [redacted] barely represented in southern Italy, where it has only nine branches.

Its subsidiary, [redacted] Vallone, which [redacted] in the process [redacted] being renamed and absorbed into the parent company, operates a further 12 branches in the southern [redacted] of Puglia. By year-end, the group expects [redacted] have [redacted] 400 branches nationwide.

The acquisition [redacted] Citibank Italia [redacted] expected to cost Ambroveneto around L400bn. Should the Italian [redacted] bid successfully, payment would probably come in the form [redacted] both [redacted] and shares.

[redacted] core shareholding [redacted] dropped to [redacted] members in July following the [redacted] by Generali, the big Italian insurance [redacted] pull out. Payment [redacted] Citibank partly in [redacted] could both reinforce [redacted] and limit the initial financial outlay for [redacted].

As [redacted] Cabotto, Ambroveneto is expected [redacted] an opening [redacted] per cent [redacted] and an option to [redacted] holding [redacted]. The two companies will [redacted] announce [redacted] joint venture, [redacted] Intermediazione Mobiliare (SIM), a type of stockbroking and fund management operation which is new in Italy. No indication of the price [redacted] deal has [redacted] given.

Cabotto is particularly [redacted] in securities trading, notably in the government bond market, where it [redacted] one of the 20 participants on the screen-[redacted] "primary dealers" sys[redacted].

● The second-half consolidated net profit of the Swiss financial group CS Holding, which owns the Credit [redacted] banking busi[redacted] may not match the [redacted] half unless current market conditions improve, [redacted] reports from Zurich.

[redacted] Holding [redacted] "Second-half results could turn out lower than [redacted] half if [redacted] market [redacted] lethargic."

Last week, CS Holding announced [redacted] its first-half [redacted] net profit had risen 77 per [redacted] ($409.5m).

The [redacted] Zuercher [redacted] newspaper reported that Mr [redacted] Gut, [redacted] Holding's president, had [redacted] in Frankfurt [redacted] company's [redacted] growth rate [redacted] be slower [redacted] the first.

Pirelli slides L65bn into red as bid for rival takes a toll

By [redacted]

PIRELLI, the Italian cables and tyres group, yesterday revealed the costs of its attempted takeover of its German rival, Continental, with the announcement [redacted] a L65bn [redacted] for [redacted] first [redacted] months [redacted] year.

The company also warned that [redacted] likely [redacted] rise [redacted] whole. Restructuring would [redacted] L120bn, while there would [redacted] financial burdens [redacted]ciated with [redacted] Continental bid.

[redacted] interim stage, [redacted] attributable to Pirelli, excluding minority interests, was L44bn, [redacted] net [redacted] of L137bn for the same period in 1990. Sales in the first six months of this [redacted] fell by 3 per cent to L5,118bn.

The company attributed the fall in profits to the general weakness of the tyre market and to the "extraordinary" burden of its Continental initiative. However, it also warned that there had been a fall in sales in all its business activities, and not just in tyres, in the first half of this year.

Interest charges associated with building up its Continental stake are likely to have been responsible for much of its troubles. The company, which is still trying to negotiate some form of co-operation with its German rival, owns 5 per cent [redacted] shares.

It has also given guarantees to re-purchase a further 5 per cent [redacted] formerly held by Sopaf, a [redacted] Italian merchant bank. Sopaf's insistence [redacted] has not taken a [redacted] on [redacted] Continental [redacted] – [redacted] plunge in their market value – has aroused suspicion that Pirelli [redacted] it some form of indemnity.

Pirelli gave no indication of its year-end results, partly [redacted] much will depend [redacted] the outcome [redacted] with Continental.

According to Pirelli, the discussions are being conducted in a "constructive and friendly spirit". However, the company gave no hint as to their scope nor [redacted] the two companies were nearing any conclusions.

See World Stock Markets

Tarmac [redacted] pre-tax profits tumble 81%

By Andrew Taylor in London

PRE-TAX profits [redacted] Tarmac, Britain's biggest building materials and construction group, plunged 81 [redacted] cent to [redacted] ($31.4m) during the first six months [redacted] this [redacted]

This follows a 49 [redacted] cent fall in pre-tax profits from £377m to £190.7m for the whole of last year.

Sir Eric Pountain, chairman, said yesterday that the group was suffering from the affects of [redacted] severe and prolonged recession in the UK and US constructi[redacted] markets.

Tarmac, Britain's biggest housebuilder [redacted] well as operating substantial quarrying and contracting operations, has [redacted] to transfer £17m from reserves to pay a maintained interim dividend of 3p.

Sir Eric said market conditions were harsh and showed no signs of immediate improvement. Recovery, when it arrived, was likely to be slow and would come too late to help this year's profits.

The group did not expect to increase the £20m of provisions made against its UK housing operations at the end of last year "unless there was a further sharp fall in house prices."

There were no plans for a rights issue. Tarmac said it intended to reduce net debt of £630.5m – equivalent to gearing of 56 per cent – by reducing working capital and by selling non-core businesses. Gearing would [redacted] per [redacted] convertible capital bonds [redacted] not included as debt.

Three thousand jobs had [redacted] cut during [redacted] past 18 months reducing the group's labour force [redacted] 32,000. The [redacted] and other savings, including mothballing [redacted] plant, had [redacted] cut overheads by up [redacted] £50m [redacted] year.

The effect of the recession had been to reduce turnover and profits in every division except contracting. Overall, turnover fell 14 per cent from £1.79bn to £1.53bn.

Earnings per share before ordinary dividends fell from 8.4p to just 0.7p.

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Montedison sells tissue venture stake

By Haig Simonian in Milan

MONTEDISON, the Italian chemicals and agro-industrial group, is selling its [redacted] per cent stake in the Ja/Mont [redacted] paper joint venture. The sale, worth S$27m, is to Cragnotti & Partners Capital Investments, the investment banking group created earlier this year by Mr Sergio Cragnotti, a former top Montedison executive.

Montedison established Ja/Mont in December [redacted] as a joint venture with James River Corporation of [redacted] US in a bid to [redacted] a pan-European paper group. Ja/Mont in turn controls the group's main operating arm, in which Nokia of Finland [redacted] 20 [redacted] cent stake.

In 1990, Ja/Mont had sales [redacted] L2,268bn ($1.75bn) and [redacted] operating earnings [redacted] L297bn. Ja/Mont, whose corporate headquarters [redacted] in Brussels, operates 13 plants throughout Europe.

Giuseppe Garofano: wants to focus on other [redacted]

The acquisition represents something [redacted] comeback for [redacted] Cragnotti, who in his then-role [redacted] senior Montedison [redacted] Ferruzzi [redacted] executive, was instrumental in constructing Ja/Mont.

Since leaving Montedison and its parent company after the collapse of the Enimont chemicals joint venture [redacted] year, Mr Cragnotti [redacted] built [redacted] his new investment banking enterprise, which he says will specialise in buying and operating industrial assets, notably in the packaging and detergents sectors.

In March this year, Cragnotti & Partners spent C$77m to buy control of Lawson Mardon, the international packaging company. Since then, the partnership, which [redacted] now [redacted] to [redacted] virtually reached its L450bn launch capital, has made [redacted] number [redacted] smaller investments, notably in Brazil.

Among the biggest [redacted] holders in Cragnotti & Partners are the Ferruzzi group; Swiss Bank Corporation, with a 10 per cent stake; and Credit Lyonnais. The latest transaction will add to the credibility of the new partnership. However, Mr Cragnotti still has to show he can conclude a big deal for a company not linked to his former employers.

Montedison said the sale was part of the group's strategy of focusing, under its chairman Mr Giuseppe Garofano, on the chemicals, pharmaceuticals, energy and agro-industrial sectors.

Montedison shares reacted positively to the sale, with a rise to L1,222 after the news. The shares had earlier fallen L11 to L1,189 at the Milan stock market's close yesterday.

Montedison said Cragnotti & Partners would pay the sum through the issue of "negotiable and guaranteed" notes maturing in 1996 and 1998 respectively.

Spanish lessons in keeping the fox out of the henhouse

Tom Burns on the battle for investors' business among the country's financial institutions

SPAIN'S top [redacted] retail [redacted] unit trust [redacted] campaigns [redacted]lowing [redacted] government's [redacted] haul this [redacted] personal [redacted] guidelines.

The campaigns mark [redacted] new and potentially damaging phase in [redacted] for business [redacted] Spain's [redacted] finan[redacted] institutions. They [redacted]gest that [redacted] real savings culture [redacted] at [redacted] about [redacted] root in Spain.

Two years ago, [redacted] main weapon in the high street banking [redacted] high inter[redacted] bearing accounts, and [redacted] competition for [redacted] deposits weakened [redacted] banks' operating margins. The fight [redacted] turn depositors [redacted] unit [redacted]ers could have an equally damaging impact on [redacted] performance [redacted] individual banks.

A promotional extravaganza launched [redacted] weekend by Banco [redacted] Vizcaya (BBV), Spain's biggest retail bank, showed [redacted] hen sitting on [redacted] golden eggs and safely protected by glass [redacted] from [redacted] predatory fox, every Spaniard's metaphor for [redacted] ubiquitous taxman.

[redacted] de Santander, [redacted] successful of the big [redacted] banks, hit back [redacted] later. [redacted] *paraiso fiscal*, [redacted] tax haven, and [redacted] a [redacted] island in place [redacted] a golden [redacted]

The [redacted] – escape [redacted] inland [redacted] with [redacted] unit trust – [redacted] enough. The [redacted] banks [redacted] launched their products in anticipation [redacted] procedures – due to [redacted] into [redacted] begining [redacted] – which no longer add capital gains [redacted] during the fiscal year [redacted] personal income earnings.

Unit [redacted], which will [redacted] wholly [redacted] in fixed incomes and should yield around [redacted] per [redacted] receive a particularly [redacted] fiscal treatment under the new pro[redacted]

Annual withdrawals from a unit trust of under Pta500,000 ($4,716) will be tax exempt and, under a sliding scale that reduces tax on the unit trust gains, all income realised by the investment after 15 years will likewise not be subject to [redacted]

"Spaniards have finally [redacted] to save," said Ms Rosario Martin, president of Gestinova, BBV's asset management subsidiary.

BBV introduced unit trusts to selected customers before the summer, when the tax advantages were announced. It has seen the volume of its funds grow by 60 per cent.

Santander, in a similar three-month exploratory phase, reports that its funds under management have grown from $18m to $546m. The target client for the unit trusts is the high interest current account holder earning as much as 14 per cent before tax on deposits in excess of $100,000.

"High income current accounts squeezed profits and forced the banks to be efficient," said Mr Federico Ysart, a senior Santander executive. "Unit trusts will benefit the banks that have a high liquidity."

Financial arm of Fiat group posts increase

By Haig Simonian

FIDIS, the financial services arm of Italy's Fiat group, raised pre-tax profits by 31 per cent to L257bn ($198.5m) in the first six months of this year. [redacted] year's comparable figure [redacted] L206bn.

Much of the earnings [redacted] from capital [redacted] group's securities portfolio, [redacted] made profits [redacted] against L134bn in [redacted] first half of [redacted]

The bulk of the gains derived from the sale of the company's 10.86 per cent holding in the Telettra telecommunications group. The sale of Telettra was part of a complex share swap between Fiat and Alcatel Alsthom, the French industrial group, last year.

As part of the cross shareholding arrangement, Fidis will eventually hold around 1.6 per cent of the French company's shares, once convertible bonds are exercised.

In a move to concentrate the Fiat group's activities in financial services, Fidis has also set up a new subsidiary, Fidisgestioni, which will hold its 60 per cent stakes in Prime and Augusta, which operate in fund management and insurance respectively.

Sappi profits fall 39% at halfway

By Philip Gawith in Johannesburg

SAPPI, the South African forest products group in [illegible] Gencor stable, yesterday announced *plans for* [illegible] *rights* issue to raise between R800m and R1bn for funding expansion at its Saiccor mill and to reduce gearing levels.

The announcement coincides with Sappi announcing a 39 per cent drop in attributable profits to R102.4m ($36m) in the six months to the end of August.

The bulk of the rights issue will go towards funding a R700m expansion at Saiccor, *the world's single largest dis*solving pulp producer.

Mr Eugene van As, chairman, said: "Although current market conditions for pulp and *paper products and for dissolv*ing pulp [illegible] not encouraging in the short term, the group is confident of the long-term growth potential of the markets in which it operates."

The Saiccor mill, apart from being expanded, will be converted to oxygen bleaching, a significant environmental advance on chlorine bleaching. It is also planned to make the mill more versatile so that it can, *in addition to viscose* pulp, make dissolving pulp for acetate markets and for the new solvent spun viscose pro[illegible].

Proceeds from the righ[illegible] issue will also be used to reduce the group's debt ratio from 0.68 to 0.27 before they are drawn down for use in the Saiccor expansion.

The group's results suffered from continued weakness in dollar prices for its products, although [illegible] was partially alleviated by the weakening [illegible] the rand. High finance charges, weak local markets and [illegible]*tional difficulties at* various operations also contributed to the weak results.

Turnover rose by only 9 per cent to R1.4bn and operating profit was 22 per cent down at R187.9m. Finance charges rose by 53 per cent to R114.7m as the group suffered from holding large amounts of debt in an environment of high interest rates, hence the 39 per cent fall in bottom line performance.

Mr van As said second-half earnings should be similar to last year. Although earnings per share were 39 per cent down at 110 cents per share, *the dividend* was maintained at 60 cents.

Gravograph bought out by investors and staff

By William Dawkins in Paris

GRAVOGRAPH, the leading French mechanical printing group, has been bought out by its staff and a consortium of institutional investors for FFr790m ($141m.)

Gravograph used to be a 50.1 per cent subsidiary of VEV, the ailing textiles company, until Rothschild & Cie, the Paris branch of the Rothschild banking group, bought control of the printing business, in a deal valuing Gravograph at FFr750m in July. Fees and interest costs account for the difference, said a spokesman for Rothschild, which is keeping a 20 per cent stake in Gravograph Financière, the holding company set up for the operation.

Mr Pierre Barberis, who took over VEV with a group of creditor banks that month, sold VEV's stake to Rothschild for FFr375.8m, one of a series *of asset disposals made to* reduce the textile group's debts. Rothschild offered the same price, FFr195 a share, to the remaining minority shareholders and proceeded to *organise the management* buy-out.

The purchase, also at FFr195 a share, has been funded by a FFr520m seven-year loan, provided by a banking consortium *led by Crédit Lyonnais, plus* FFr270m of new capital.

Gravograph's management, which put up FFr35m, now owns 16 per cent of Financière Gravograph, with the remain*ing 84 per cent in the hands of* institutional investors and Gravograph's five main distributors. Staff have 59 per cent of the voting rights in Financière Gravograph, with the remaining 41 per cent with institutional investors.

Gravograph reported net profits of FFr77m on sales of FFr554m last year.

Bayer USA to combine with leading subsidiaries

BAYER USA, the US holding company of the German Bayer chemicals group, said it and its leading US subsidiaries will become [illegible] operating [illegible] from next January, Reuter reports from Pittsburgh.

The [illegible] will [illegible] called Miles Inc, [illegible] name [illegible] Bayer [illegible] largest subsidiary.

The new organisation will manage the $6bn business of Bayer USA's operating subsidiaries in the US.

[illegible] Helge Wehmeier, president and chief [illegible] of the present holding company, will hold the same position in the new company.

Bayer told a press conference yesterday that the restructuring would not result in significant charges [illegible] parent's income statements.

[illegible] company [illegible] agreement with Eastman [illegible] unit Sterling Drug, which makes "Bayer" brand aspirin in the US, prohibits it [illegible] using the name Bayer [illegible] an operating company.

Mr Wehmeier said the company chose the name Miles to capitalise on its name recognition.

Miles's brands include One-A-Day vitamins and the medicine Alka-Seltzer.

He said Bayer USA [illegible] restructuring to develop a single corporate identity and improve [illegible], but it [illegible] too soon [illegible] determine the effect on the parent company or employment.

He said the decision to restructure had nothing to do with a slowdown in 1991 in Bayer's US [illegible].

He added that the [illegible] US pharmaceutical [illegible] was doing well this year.

Its chemicals business was affected earlier in the year by the economic recession, but had improved lately.

Mr Wehmeier said Agfa, the company's imaging and [illegible] finishing unit, [illegible] been affected by the recession, notably the slowdown in advertising.

Labatt seeks buyer for Ogilvie

By Robert Gibbens in Montreal

JOHN Labatt, the Canadian brewing and consumer products group, is looking for a foreign buyer for its Ogilvie Mills flour milling business.

It is the second time that Labatt, Canada's second biggest brewer, has tried to sell Ogilvie and its four flour mills with annual sales of C$300m (US$265.4m).

A year ago, Labatt tried to merge Ogilvie with Maple Leaf Foods, controlled by Britain's Hillsdown, but the deal was scuttled by the Federal Competition Bureau.

Investment bankers Wood Gundy is handling the disposal. An Ogilvie subsidiary with annual sales of nearly $100m has been put on the block separately.

The milling industry has been undergoing [illegible] dramatic restructuring and analysts expect Ogilvie's buyer will probably be American.

Archer-Daniels-Midland of Illinois, for instance, recently bought [illegible] Canadian flour mills.

Labatt, controlled by Brascan, is co[illegible]ting on its brewing, dairy products and entertainment businesses.

● MAGNA International, Canada's biggest car parts maker, has staged a financial turnround, writes Robert Gibbens.

The group reported a profit of [illegible] (US$14.6m), or 59 cen[illegible] share, for the year to end-July, against a loss of C$224m a year earlier after special charges. Most of the profit was achieved in the final quarter of fiscal 1991.

Sales for the full year rose to C$2.02bn from C$1.93bn, while debt was cut C$334m to C$696m at July 31.

Mr Frank Stronach, the European-born founder and chairman, said the turnround, achieved partly by selling non-profitable plants, came during a period of depressed North American car production.

"Even if the industry remains stagnant, we expect good production volumes to continue," he said. "Most of our components go into strong-selling models of the industry."

He added that the improved operational results were the direct consequence of the company's reorganisation programme in fiscal 1991 to merge, sell or close facilities that were not profitable in the near term.

Canadian forest industry faces loss

THE CANADIAN forest products industry will suffer [illegible] total loss [illegible] about [illegible] (US$1.76bn) [illegible] year [illegible] of poor [illegible] a *persistently high Canadian* dollar, which reduces US dollar export earnings, according to Price Waterhouse, writes Robert Gibbens in Montreal.

[illegible] figure includes a [illegible] of about [illegible] for [illegible] large publicly-held companies, such [illegible] Noranda Forest and Fletcher Challenge Canada, [illegible] consultancy [illegible] in Vancouver.

The [illegible] in line with [illegible] loss [illegible] about C$500m already reported [illegible] first half.

However, the publicly held companies have [illegible] several hundred million dollars in new equity capital, strengthening their balance-sheets and improving the market [illegible] of their stocks.

In 1990, the publicly held companies reported [illegible] of C$284m on sales of C$21.3bn, against C$1.1bn profit in 1989, the last year of [illegible] prosperity.

Including private companies, the industry *had total 1990* output of [illegible]

Companies relying on market pulp [illegible] newsprint have been hit hardest.

The prices of these two commodities have dropped sharply and are unlikely to improve until late 1992 or early 1993 because of over-capacity.

Coca-Cola to be produced in Romania

[illegible] has signed a joint [illegible] agreement with Romania's leading beverage manufacturer, making Romania the third [illegible] European country, [illegible] Poland and Hungary, to produce the popular US soft drink, [illegible] reports from Bucharest.

The agreement between the Atlanta-based [illegible] and [illegible] will allow production of Coca-Cola in Romania [illegible] the [illegible].

Coca-Cola will initially invest $12m in the venture.

Unilever in Pratauer deal

By Guy de Jonquières, Consumer Industries Editor

UNILEVER, [illegible] its [illegible] business in eastern Germany by taking over Pratauer [illegible], which belonged to the Anglo-Dutch foods group before the Second World War.

No price has been disclosed, though Unilever said the deal took into account the fact that Union, its Hamburg subsidiary, had originally owned Pratauer, which has produced Unilever's Rama brand margarine under contract since February.

Unilever [illegible] this [illegible] acquired two other east German margarine businesses, [illegible] and Thüringer Öl und Margarinewerk in [illegible] for undisclosed sums.

The Pratau [illegible] has an annual [illegible] of 45,000 tonnes and employs more than 200 people.

Unilever has so far invested about DM30m ($17.9m) to [illegible] it and the [illegible] plant.

Rama is the best-selling margarine in eastern Germany.

Champion may sell Montana timberlands

CHAMPION International, the US paper producer, is exploring the sale of its wood products operations and its Montana timberlands, Reuter reports.

Champion declined to estimate how much the Montana assets contributed to the company's 1990 bottom line. The company said the possible sales of such assets were part of its strategy to focus on paper businesses.

The company's Montana operations include solid wood manufacturing operations in Bonner and Libby which produce studs and other lumber.

Champion employs about 1,500 in Montana.

INTERNATIONAL COMPANIES AND CAPITAL MARKETS

Parretti strikes back in court debut

By Alan Friedman in Wilmington, Delaware

THE BATTLE for control of MGM, the once legendary Hollywood studio, took a bizarre twist yesterday as Mr Giancarlo Parretti, the controversial Italian financier who controlled MGM, made his [illegible] courtroom debut and launched a series of attacks [illegible] Crédit Lyonnais, the French bank that [illegible] his biggest backer.

The Delaware court [illegible] *stemming from* a [illegible] by [illegible] Lyonnais, centres on whether Mr Parretti, [illegible] last spring stepped [illegible] as MGM chairman, breached a corporate governance agreement he had signed last April.

The bank alleges financial mismanagement by Mr Parretti brought MGM to the brink of bankruptcy and that it agreed to lend MGM $145m on condition that he give up control of the studio.

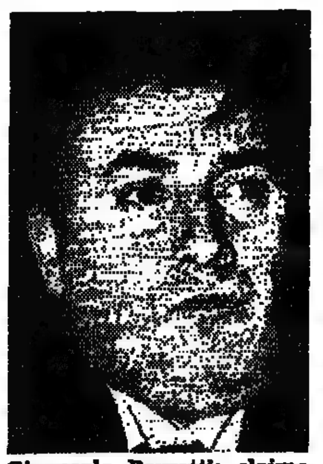
During nearly three hours of testimony in a tiny courtroom where lawyers for both [illegible] outnumbered by the [illegible] Mr Parretti claimed [illegible] had been pressured by [illegible] Lyonnais executives to sign more than 100 documents giving up control of MGM or face bankruptcy.

Mr Parretti, who is appealing a fraud conviction in Naples, claimed Mr Alexis Wolkenstein and Mr François Gille, both deputy general managers of Crédit Lyonnais, went to Hollywood last April and forced him to sign over control of the studio.

"It was like a machine gun held to my head," the stocky Italian financier told the court.

Mr Parretti said the French bank had loaned him $400m and had proposed the sale of assets – including the disposal of 40 per cent of the film studio – that could have raised $600m.

A lawyer for Crédit Lyonnais said in an intervi[illegible] banks [illegible] Mr Parretti and to companies related to the MGM deal amounted to more than $1bn. Until a few months [illegible] Crédit Lyonnais had insisted that its exposure to Mr Parretti was less than $300m.



Giancarlo Parretti: claims he resigned under pressure

Yesterday's proceedings seemed [illegible] comedy of errors at times as Mr Parretti testified in Italian, but occasionally broke *into English to* [illegible] *the hapless interpreter.*

At one point, Mr [illegible] said he had agreed to name Mr [illegible] Michelis [illegible] MGM chairman because Mr [illegible] Michelis – the brother of Mr Gianni de Michelis, Italy's foreign minister – [illegible] friendly with President George Bush and with *Mr Steve Ross*, chairman of Time Warner.

[illegible] Parretti accused Mr [illegible] Ladd, the Hollywood film maker, now MGM chairman and an ally of Crédit Lyonnais, [illegible] not being honest.

[illegible] Ladd, who said MGM could run a negative cash flow of $200m this year, joked during a break in the proceedings that "I guess I was corrupted by power".

Mr Parretti, advised by his lawyers not to speak to the [illegible] nonetheless could [illegible] resist making his own jokes. "This is great. I have no more debts. I used to have [illegible], but soon the bank will be forced [illegible] pay [illegible] damages," he exclaimed.

Lawyers from MGM [illegible] Crédit Lyonnais are expected to contest Mr Parretti's version [illegible] the trial continues during [illegible] next few days.

A&P drops to $14.5m [illegible] sales stagnate

By Nikki Tait in New York

THE GREAT Atlantic & Pacific Tea Company, better known as the A&P supermarket chain, saw its profits after tax more than halved, from $36.3m [illegible] $14.5m, in the 12 weeks to September 7.

Sales during the period – the second quarter of A&P's financial year – were virtually static at $2.65bn, against $2.6bn. However, operating profits plunged from $77.9m to $42.9m.

Interest charges were slightly higher at $17.4m, compared with $16.5m, and earnings per share slid [illegible] 95 cents [illegible] 38 cents.

A&P, [illegible] is [illegible] per cent-owned by the Tengelmann group of Germany [illegible] in [illegible] Waldbaum's and Food Emporium chains in New York, Farmer Jack in Detroit and Kohl's in Wisconsin, confined itself to a brief one-sentence comment on the figures.

The company said it continued "to pursue [illegible] course [illegible] maintaining our market share [illegible] increasingly competitive and costly environment, in order to be prepared for [illegible] economic upturn".

Part of A&P's problems stem from recent acquisitions – in both Canada and Detroit – and it has also been hit by [illegible] mixture of [illegible] and stiff competition in its main markets in the north-east and mid-west US.

The company still owns a 7.2 per cent stake in Isosceles, the UK food retailer beset by management upheavals. A&P has argued for a larger manage[illegible] role at [illegible] but, [illegible] own problems, seems unlikely [illegible] become heavily involved [illegible] present.

Broken Hill expects decline in profits for current year

By Kevin Brown in Sydney

BROKEN Hill Proprietary (BHP), Australia's largest company, was unlikely [illegible] match its 1990-91 results in [illegible] current year, Sir Arvi Parbo, chairman, said yesterday.

BHP reported net profits of A$1.4bn (US$1.12bn) for the year [illegible] May 31, after abnormal gains of A$222m. The first-quarter results for [illegible] current year, released [illegible] week, showed a fall of 42 per cent in net profits [illegible] abnormals, [illegible] A$232m.

Sir Arvi, at the company's [illegible] meeting, said the first-quarter [illegible] was [illegible] to [illegible] cent after excluding the [illegible] of the sale [illegible] shares in [illegible] Petroleum in [illegible] comparable quarter [illegible].

However, [illegible] little improvement [illegible] demand for [illegible] year, and [illegible] that petroleum [illegible]ings would reflect lower average oil prices.

Sir Arvi said falling profits from [illegible] and steel would be offset "to some extent" by increased contributions from copper, *iron ore and liquefied* natural [illegible] (LNG), and [illegible] cost reductions.

The [illegible] had [illegible] investment in internationally competitive projects "through periods of high interest rates and through [illegible] gloom of an Australian recession and reduced world activity", [illegible] Arvi said.

"As a result, we have a mix of [illegible], develop[illegible] businesses [illegible] a [illegible] of possible [illegible] opportunities which *will benefit us as* economic [illegible] improve," he said.

Sir Arvi said the medium [illegible] longer term outlook [illegible] "very positive". However, he [illegible] Australia risked allowing oppo[illegible] resources development to threaten economic growth.

"At [illegible] when the world is moving faster and competitive [illegible] increasing internationally, negative views about economic development ... ha[illegible] gained extraordinary influence and come to dominate public policy.

"We have lost touch with the reality that economic growth is the linchpin of our social well being," he said.

Sir Arvi's [illegible] supported by [illegible] John Prescott, BHP'[illegible] managing director, who said the debate over resource development [illegible] being "hijacked" by environmental and Aboriginal rights groups.

Their comments reflect concern among mining companies about the government's sympathetic treatment of opposition to important projects by some groups.

Mr Prescott said there was *no hard evidence* that government attitudes were changing, [illegible] spite of pro-development [illegible] recently by some [illegible] ministers.

Sir Arvi Parbo: stressed need for resources development

Administrator named [illegible] lead ELIC bid

MUTUAL Assurance [illegible] de France (MAAF) and [illegible] co-investors [illegible] named [illegible] Los Angeles lawyer, Mr John Hartigan, to lead the the consortium's bid for Executive Life of California, the insurance company seized by state regulators, writes Nikki Tait. *Altus, a Crédit Lyonnais* subsidiary, has offered to buy ELIC's junk bond portfolio [illegible] $2.7bn while MAAF would inject [illegible] $300m into the life company's operations and take [illegible].

An umbrella organisation for [illegible] guaranty funds has [illegible] it will [illegible] bid.

Armco agrees to buy Cyclops

By Martin Dickson in [illegible] York

ARMCO, [illegible] US steel-maker, yesterday agreed [illegible] buy Cyclops Industries, the speciality [illegible] group [illegible] $156m – reviving a deal that collapsed last February [illegible] of financing difficulties.

The acquisition would bring about an important realignment in the profitable US [illegible]ciality steels business, with Armco and Cyclops vying for leadership of the sector against [illegible] current number one, Allegheny Ludlum.

Armco is to pay $22 in cash and common [illegible] each [illegible] Cyclops' 7.1m [illegible], with $11 of the total in cash. [illegible]ary, the two companies agreed [illegible] a $156m takeover, which would have been financed largely through the [illegible] of $100m of convertible preferred stock to Alleghany Corporation, the New York financial services [illegible]. However, Alleghany then [illegible] to [illegible] away from [illegible] agreement in principle.

The [illegible] of [illegible] underlines [illegible] improved prospects for the steel industry, which appears to have put the bottom of the economic cycle behind it, and a more benign climate for capital-raising.

Under [illegible] deal, Mr [illegible] Will, president and chief [illegible] Cyclops, will become president and chief operating officer of Armco.

Cyclops was formed in [illegible] from [illegible] industrial [illegible] of the former Cyclops corporation and several parts [illegible] Alleghany Corporati[illegible].

It employs [illegible] people [illegible] mainly in [illegible] carbon steels, [illegible] products, special alloys and non-residential construc[illegible] products.

Armco said the most important synergies between the two businesses lay in the production of stainless steels, where Armco had excess melting and slab casting capacity and Cyclops has top quality finishing facilities. The deal will also take Armco into a new business, stainless plate.

Arab Banking sets dividend

[illegible] Banking Corporation, [illegible] international Arab bank, said yesterday [illegible] on [illegible] 15 it would [illegible] an interim dividend of [illegible] US [illegible] share, Reuter reports from Manama.

This is [illegible] first time [illegible] the Bahrain-based bank, which has bounced back from the adverse effects of the Gulf war, has distributed interim di[illegible].

[illegible] full year's dividend would probably be [illegible] next year after [illegible] adopt [illegible] bank's [illegible] accounts in [illegible], with th[illegible] interim dividend credited against the full year, the bank said.

ABC, [illegible] mainly by Kuwait, Abu Dhabi and Libya, became the first Arab bank to offer shares to investors on the open market with a US$350m issue in June 1990.

Private Saudi Arabian investors now hold 6.5 per cent of its shares and international investors 15 per cent.

ABC shares are now quoted at US[illegible] compared with US$14 [illegible] they began trading on the Bahrain and Paris bourses last year.

In July, ABC announced a pre-tax profit of US$57m for the first six months of 1991. Operating profit rose to US$100m, marginally up on the same period of the previous year.

ANI sells assets of equipment division

AUSTRALIAN National Industries, the engineering group, has sold the assets of its ANI Komatsu division [illegible] Komatsu and Nippo[illegible] Nittetsu Shoji subsidiary for A$50m (US$40m), Reuter reports.

ANI Komatsu is a distributor of earth-moving equipment on Australia's east coast. ANI said the sale was part of its plan to [illegible] non-core businesses. [illegible] sold are [illegible] equipment, parts and [illegible].

Komatsu and Nittetsu will form a joint company, Komatsu Pty, to take over the busi[illegible], subject to government [illegible].

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices [illegible] 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	102¼	103¼		6.79
ALBERTA PROVINCE 9 3/8 95	600	106¼	106¾		7.50
AUSTRIA 8 1/2 00	400	102¼	102⅝	-⅛	8.11
BANK OF TOKYO 8 3/8 96	100	101¼	101⅞	-⅛	7.98
BELGIUM 9 5/8 98	250	108	108½		8.04
BFCE 7 3/4 97	150	100¼	100⅝	+⅛	7.70
BHP 8 5/8 94	300	104	104½	+⅛	7.02
[illegible]TAL 9 5/8 93	150	103¼	104¼	+⅛	6.79
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINS INT 7 94 LFr	600	94	95		9.50
KREDIETBANK 7 93 LFr	1000	[illegible]	96¼		9.64
WORLD BANK 8 96 LFr	1000	[illegible]	97½	-⅛	9.18
UNILEVER 9 00 FT	900	[illegible]	102½	+⅛	8.57
BCE INC 9 5/8 93 C$	900	100¼	101	+⅛	9.20
BELL CANADA 10 5/8 99 C$	150	103¼	[illegible]	+⅛	10.01
BRITISH COLUMBIA 9 1/4 99 C$	150	100¼	[illegible]	+⅛	9.90
CIB 10 1/8 98 C$	130	101	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CREDIT FONCIER 5 1/4 94	20000	97¼	97⅝	+⅛	6.25
DENMARK 7 95	40000	102¾	103	+⅛	6.05
EIB 4 5/8 94	40000	96¾	97¼		5.99
FINLAND 6 3/4 96	50000	102¼	102½		6.15
GENERAL ELECTRIC 5 3/4 93	35000	99¼	99½	+⅛	6.25
INTER AMER DEV 7 1/4 00	30000	106⅞	107¼	+⅛	6.19
[illegible] ELEC PWR 4 5/8 94	60000	[illegible]	96¼	+⅛	6.11
NIPPON TEL & TEL 5 7/8 96	50000	99	99¼	+⅛	6.11
NORWAY [illegible]	50000	97¼	97¾	+⅛	6.04
SNCF 6 3/4 00	30000	103⅞	104¼	+⅛	6.14
SWEDEN 5 5/8 95	20000	98¾	98⅞	+⅛	6.09
WORLD BANK 6 3/4 00	50000	103⅞	104¼	+⅛	6.14

CONVERTIBLE BONDS	Issued	Conv. price	Bid	Offer	Prem.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available - previous day's price
$ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month [illegible] above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

RANK XEROX

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Three sectors in bull-run steal the show

By Tracy Corrigan

ACTIVITY in the Eurobond market yesterday was concentrated in three sectors – US dollar, [illegible] and Canadian dollar – currently enjoying a bull run.

The strength of demand for three new issues by the World Bank, Belgium and Canadian National Railways exceeded the supply of paper, dealers said.

INTERNATIONAL BONDS

The Kingdom of Belgium's $600m issue, increased [illegible] $500m, was considered correctly priced at 44 basis points above the 10-year US Treasury, and sold out quickly.

Even in a rising market, the deal tightened by [illegible] basis point. The [illegible] was enhanced by a lack of supply at the 10-year area of the yield curve, where much existing paper is now trading at a premium to its issue price.

The competition for [illegible] man[illegible] was won by Swiss Bank Corporation, although other banks are said [illegible] have priced [illegible] deal [illegible] lower spread. However, SBC [illegible] able [illegible] offer better [illegible] on the accompanying [illegible] into fixed-rate Swiss francs.

Despite firm demand, poor swap opportunities into floating-rate dollars – the target for many companies – [illegible] likely [illegible] plans by bor[illegible] based on the London interbank offered rate to tap [illegible] market.

In [illegible] sector, the [illegible] Bank tapped the five-year [illegible] yield curve, providing [illegible] much-needed new benchmark. The Y75bn [illegible] now [illegible] largest five-year [illegible] in the [illegible].

With many European [illegible] still underweight in yen, and a lack of liquid Euroyen bonds, demand for the [illegible] enthusiastic.

[illegible] official discount [illegible] is expected soon, and the benchmark No [illegible] Japanese government bond yesterday fell below [illegible] for [illegible] underlin[illegible] bullish [illegible].

The World [illegible] issue was bid at [illegible] above its fixed reoffer price of [illegible].

[illegible] supply [illegible] issues in yen [illegible] also likely [illegible] be inhibited by the lack of swap opportunities. The World Bank deal was unswapped.

The pricing of the deal [illegible] "right on the market", one dealer said. But demand proved overwhelming.

"Every institution that ever bought [illegible] Euroyen bond seemed [illegible] be after this one," one trader claimed.

Elsewhere, Canadian [illegible] Railways tapped the [illegible] dollar [illegible] of the Eurobond [illegible] for the first time in four years.

The [illegible] strong demand from retail and institutional investors, [illegible] 100 [illegible] above [illegible] price of [illegible].

Petrobras, Brazil's [illegible] oil company, returned [illegible] the Eurobond [illegible] deal.

The [illegible] followed [illegible] $200m deal by Telebras, Brazil's telecommunications monopoly, brought [illegible] on [illegible]day.

NEW INTERNATIONAL BOND ISSUES

[illegible]	Amount m.	Coupon %	[illegible]	Maturity	[illegible]	Book runner
US DOLLARS						
Kingdom of Belgium(a)†	600	8⅛	99.913	2001	32.5/17.5bp	SBC
[illegible]						
Petrobras(a)†	50	12	95.58	[illegible]	-	Banque Indosuez
CANADIAN DOLLARS						
[illegible] Nat.Railways(a)†	150	[illegible]	[illegible]	1998	1⅞/1.525	[illegible]
YEN						
World Bank(a)†	75bn	6	99.80	[illegible]	25/15bp	[illegible] Int.
FRENCH FRANCS						
LVMH(b)†	500	zero	100	1995	-	[illegible]
NEW ZEALAND DOLLARS						
[illegible] Bk [illegible] Sth.Aust.(a)†	50	9¼	101.07	[illegible]	2/1½	Hambros Bank
D-MARKS						
Council [illegible] Europe(a)†	100	8⅝	101¾	[illegible]	1¾/1	Trinkaus & Burkhardt
SWEDISH KRONOR						
Union Bk of Finland(a)†	300	10¾	101½	[illegible]	1⅞/1¼	Unibank [illegible]
SWISS FRANCS						
Ryomo Systems(a)**†	25	7½	99⅝	[illegible]	-	[illegible] Privatbk.

**Private placement. §Convertible. [illegible] equity [illegible] ‡Floating [illegible] †Final [illegible] Redemption linked [illegible] LVMH stock.

Land Securities debenture issue has 36-year maturity

By Simon London

LAND SECURITIES, the UK property group, yesterday launched a £200m long-dated debenture issue, [illegible] proceeds of which will be used to [illegible] property acquisitions.

The [illegible] has a 36-year maturity, among the longest-dated debenture [illegible] in the [illegible]ket. The long maturity was chosen to meet specific demand from UK pension fund and insurance company fund managers, which hold long-[illegible] to match liabilities.

The deal [illegible] priced [illegible] yield 110 [illegible] points more than the UK government's 9 per cent bonds maturing 2008, the long-dated government benchmark issue.

The pricing was described as fair by participants, and the bonds sold well to UK institutional investors. The deal, arranged by J. Henry Schroder Wagg, traded up from an issue price [illegible] 96.118 [illegible] stand [illegible] 96.25 bid by late afternoon.

Land Securities is regarded as one of the strongest quoted UK property companies. It has outstanding debenture issues maturing in 2025 and 2030. Yesterday's deal was priced to yield around 8 basis points more than that available on these shorter-dated bonds in the secondary market.

The company said the proceeds of the issue would be used to make acquisitions while property prices were at the bottom of the cycle.

Demand for long-dated sterling bonds has been buoyant, but supply of new paper has not kept pace.

Analysts said the last long-dated debenture issue of comparable quality was Whitbread's £135m issue maturing 2011, launched last December.

Japan sets a high on strong yen

By Sara Webb in London [illegible] Patrick Harverson in New York

JAPANESE government bonds [illegible] to highs on hopes of lower [illegible] and [illegible] strength [illegible].

Both the [illegible] and [illegible] markets reached their [illegible] levels since January [illegible], with the yield [illegible] benchmark [illegible] bond breaking through [illegible] per cent. The strongest [illegible] was seen at the long end of the market, [illegible] said.

Yesterday's announcement [illegible] Four [illegible] houses – Nomura, Daiwa, [illegible] and Yamaichi – [illegible] suspended [illegible] underwriters' syndicate for [illegible] month, took the market by surprise. The [illegible] was made after [illegible] close [illegible] the Tokyo Stock Exchange and led to [illegible] slight fall in prices after trading hours.

The 10-year government bond auction which [illegible] uled [illegible] today [illegible] postponed [illegible] days, [illegible] said, adding [illegible] foreign and [illegible] would probably [illegible] opportunity [illegible] market [illegible] the [illegible] Big Four.

GOVERNMENT BONDS

■ THE UK government's [illegible] performance in an opinion poll yesterday pushed [illegible] prices slightly lower in a dull [illegible].

Traders said attention would focus on today's auction of £1.5bn of 9¼ per cent conversion stock due [illegible], where demand was expected [illegible] reasonable.

■ GERMAN government [illegible] edged up, helped by encouraging inflation [illegible] from two [illegible] German [illegible].

The government [illegible] Treasury bills [illegible] be sold today at auction. The bills [illegible] and [illegible] maturity of just more than four years. [illegible] portion [illegible] will be [illegible] for [illegible] central bank's market operations.

Traders [illegible] market participants had hoped for a five-year issue which would provide [illegible] arbitrage opportunities with [illegible] contract, [illegible] launched in October.

■ TRADING in [illegible] bonds remained light yesterday morning ahead of a big auction of Treasury notes, although a bout [illegible] profit-taking [illegible] prices at the long end after they had firmed on [illegible] of weak consumer confidence.

Prices opened firmer on expectation [illegible] successful sale later in [illegible] day of [illegible] in two-year [illegible]. They gained further [illegible] Conference Board reported a fall in its con[illegible] for September from 76.1 in [illegible] previous month [illegible] 72.7. But, with [illegible] preparing themselves for the afternoon auction, selling [illegible] the market [illegible] retreat.

BENCHMARK GOVERNMENT BONDS

		Coupon	[illegible]	Price	[illegible]	[illegible]	Week ago	Month ago
[illegible]		12.000	11/01	[illegible]	[illegible]	[illegible]	[illegible]	10.56
BELGIUM		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.35
CANADA *		9.750	12/01	103.0250	[illegible]	9.29	[illegible]	[illegible]
DENMARK		9.000	11/00	[illegible]	[illegible]	[illegible]	9.11	[illegible]
[illegible]	[illegible]	[illegible]	11/96	97.7139	[illegible]	[illegible]	[illegible]	9.19
	OAT	9.500	01/01	103.9600	+0.060	8.84	8.86	9.01
GERMANY		8.750	08/01	102.1200	+0.190	8.42	8.40	8.60
ITALY		12.500	03/01	100.0600	-0.170	12.87	13.06	13.32
JAPAN	No 119	4.800	[illegible]	[illegible]	+0.241	[illegible]	6.46	[illegible]
	[illegible]	6.400	03/00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS		[illegible]	03/01	[illegible]	+0.100	[illegible]	8.75	8.88
SPAIN		[illegible]	07/96	102.0200	+0.140	11.29	11.44	11.81
UK GILTS		[illegible]	[illegible]	101-12	+01/32	9.55	9.65	[illegible]
		10.000	02/01	102-19	[illegible]	9.57	9.60	9.66
		[illegible]	10/08	97-10	+00/32	9.32	9.40	9.79
US [illegible] *		7.875	08/01	102-11	[illegible]	[illegible]	7.64	7.85
		8.125	08/21	102-29	[illegible]	[illegible]	7.94	8.10

London closing. *denotes New York morning session. Yields: Local market standard. Prices: US, UK in 32nds., others in decimal. Technical Data/ATLAS Price Sources

US moves to float foreign units may boost sector

By [illegible] Webb

US [illegible] with strong European or worldwide operations could provide [illegible] source [illegible] equity business.

[illegible] such [illegible] which intends [illegible] float its international operations [illegible] Waste Management, [illegible] biggest [illegible] waste handling companies.

It is planning an initial public offering for its international subsidiary, with [illegible] listing in London, due to take place in [illegible]. The parent company, which has a turnover of about $7.5bn – $1bn from [illegible] international operations – will keep a controlling stake in the subsidiary.

Corporate advisers hope [illegible] companies [illegible] a similar strategy. Gold[illegible] is advising [illegible] about [illegible] potential spin-off [illegible] European operations, and [illegible] may follow suit if market conditions are favourable.

US companies such as Avon Products, Levi [illegible] and PepsiCo have made initial public offerings (IPOs) of their Jap[illegible] [illegible]. Advisers [illegible] many US companies, for example in the motor, information technology, food, chemicals, pharmaceuticals and consumer products sectors, have built substantial European [illegible] international operations that [illegible] to [illegible] off.

However, when the price/earnings [illegible] in the [illegible] market [illegible] higher than in many European markets, [illegible] make sense financially [illegible] a US [illegible] off its European operations in Europe?

[illegible] claims [illegible] in general, US companies would be able to raise more money by floating [illegible] subsidiary in the US than in the UK. An investment house, however, says that in some sectors, [illegible] higher [illegible]tion can be [illegible]ved in Europe than in the US.

"The question a US company must ask is: why float a [illegible]iary in a market with a low p/e ratio?" [illegible] corporate adviser.

There would have [illegible] advantages in floating [illegible] subsidiary for it [illegible] tive in present market conditions.

For example, an IPO for a European/international subsidiary can:

■ [illegible] opportunity [illegible] new European [illegible]. "In cases where [illegible] parent [illegible] heavily indebted, [illegible] can be an advan[illegible] European investors when [illegible] investors [illegible] of being called upon," [illegible] one [illegible].

■ Enable the [illegible] be self-financing. Mr [illegible] Koenig, chief financial officer [illegible] Waste Management, says the planned IPO will "give us the ability to finance [illegible] growth of [illegible] international operations [illegible] to finance in the [illegible] where we are investing".

However, some highly-geared companies may face problems in spinning off sub[illegible] because [illegible] bond or credit [illegible] may prevent [illegible] selling [illegible]. Such [illegible]panies would [illegible] to [illegible].

There [illegible] also [illegible] risk [illegible] floating subsidiaries could eventually detract from [illegible] parent company. "The question is, if [illegible] European subsidiary were to do things in the European growth markets, would it be paid [illegible] by [illegible] the US equity value or would it be taken into [illegible] in the value of the US equity?" [illegible] out an adviser.

LVMH ISSUE GIVES INVESTORS GAIN OVER EQUITY PERFORMANCE

LVMH, the French drinks and luxury goods group, launched a FFr500m four-year hybrid convertible issue yesterday.

The issue allows investors to gear up on the performance of the underlying equity, receiving 1.25 times the gain made by [illegible] stock.

However, [illegible] potential gain is capped at 180 per cent of par by the end of the fourth year. There is also [illegible] coupon on the issue.

[illegible] directly into the underlying equity, but will [illegible] paid [illegible] cash equivalent to the share price.

[illegible] of the securities houses involved in the deal claims that the total return on the convertible issue is guaranteed to exceed that on the underlying equity if growth in the stock is between 8 per cent and 15 per cent [illegible] year – or "moderate to [illegible]" – [illegible] the four-year period.

Société Générale is lead manager for the issue.

INTERNATIONAL EQUITY ISSUES

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue Sep 24 1991 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1991 to date	Mon Sep 23 Index No.	Fri Sep 20 Index No.	Thu Sep 19 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (184)	847.24	....	9.45	5.73	13.15	28.07	847.39	855.28	853.95	665.34
2	Building Materials (24)	1066.77	....	7.67	5.84	16.71	33.99	1067.17	1080.36	1092.28	829.48
3	Contracting, Construction (31)	1159.04	-0.5	8.31	6.50	16.31	42.94	1165.16	1170.72	1175.97	994.71
4	Electricals (11)	2630.54	+0.5	8.31	5.02	15.41	69.65	2618.17	2653.97	2465.80	1812.59
5	Electronics (25)	1764.82	-0.3	10.85	5.40	11.65	49.11	1769.63	1776.69	1767.56	1507.85
6	Engineering-Aerospace (8)	374.17	....	16.52	6.70	7.31	14.36	374.19	377.43	375.31	404.09
7	Engineering-General (45)	493.42	-0.6	10.38	5.19	11.83	14.61	496.20	496.92	494.05	362.26
8	Metals and Metal Forming (8)	455.74	+0.8	14.38	7.75	8.44	17.48	452.33	457.32	454.44	386.56
9	Motors (12)	360.14	-0.9	8.32	6.69	15.33	14.36	363.38	364.77	365.03	265.52
10	Other Industrial Materials (20)	1594.10	+0.5	7.96	5.12	14.94	55.15	1586.84	1610.28	1619.21	1126.52
21	CONSUMER GROUP (187)	1544.12	-0.4	7.50	3.62	16.46	30.65	1551.05	1559.75	1548.76	1126.92
22	Brewers and Distillers (22)	1923.49	-0.7	8.05	3.51	15.11	34.88	1937.62	1950.74	1899.27	1382.10
25	Food Manufacturing (19)	1225.03	....	9.37	4.07	13.17	26.32	1224.73	1230.56	1227.86	962.53
26	Food Retailing (17)	2524.83	-1.0	8.81	3.34	14.85	45.01	2550.80	2552.32	2556.30	2227.81
27	Health and Household (22)	3670.09	-0.7	5.51	2.58	20.81	58.20	3697.35	3718.76	3697.18	2319.01
29	Hotels and Leisure (23)	1335.34	-0.3	8.18	5.28	14.88	37.66	1338.83	1357.47	1351.77	1127.11
30	Media (26)	1536.96	-0.7	7.16	4.62	18.20	41.89	1547.94	1565.67	1562.24	0.00
31	Packaging, Paper & Printing (17)	760.01	-0.2	7.40	4.29	16.41	22.26	761.52	763.63	761.37	476.55
34	Stores (32)	990.16	+0.4	7.67	3.76	16.97	18.14	986.51	988.11	989.19	721.57
35	Textiles (9)	634.36	+0.4	7.26	4.90	17.48	15.16	631.91	632.52	628.24	391.00
40	OTHER GROUPS (109)	1281.56	+0.2	9.43	5.07	13.29	35.14	1279.46	1287.70	1283.92	935.24
41	Business Services (12)	1381.79	-0.2	7.88	4.79	15.70	30.08	1384.11	1428.08	1438.05	0.00
42	Chemicals (21)	1444.99	+0.4	7.00	5.00	17.64	47.20	1439.16	1437.14	1430.08	954.41
43	Conglomerates (10)	1529.78	+0.5	9.58	6.90	12.65	37.80	1522.64	1537.51	1537.56	1257.98
44	Transport (13)	2372.22	+0.9	7.19	4.79	17.23	66.14	2351.76	2352.54	2342.95	1764.78
45	Electricity (16)	1266.83	-0.5	13.94	5.14	9.21	27.53	1273.16	1273.02	1256.20	0.00
46	Telephone Networks (4)	1544.30	-0.2	9.71	3.93	13.48	28.34	1546.65	1562.51	1563.42	1023.32
47	Water (10)	2433.17	-1.0	16.80	6.33	6.59	118.37	2456.52	2479.83	2467.85	1935.31
48	Miscellaneous (23)	1866.93	+1.1	5.36	5.30	25.82	68.99	1845.98	1852.14	1846.00	1446.55
49	INDUSTRIAL GROUP (480)	1290.61	-0.2	8.50	4.50	14.62	32.07	1292.76	1301.27	1295.22	955.80
51	Oil & Gas (20)	2365.34	-0.2	11.04	5.87	11.97	92.84	2369.65	2387.35	2396.05	2392.02
59	500 SHARE INDEX (500)	1383.84	-0.2	8.81	4.66	14.24	36.86	1386.16	1395.44	1390.35	1072.12
61	FINANCIAL GROUP (92)	828.62	+0.2	-	5.65	-	29.98	826.97	832.08	[illegible]	[illegible]
62	Banks (9)	956.17	+0.7	4.45	5.58	42.09	36.83	949.72	960.02	955.42	664.57
65	Insurance (Life) (7)	1594.07	-0.6	-	5.31	-	60.57	1602.99	1611.02	1591.80	1247.57
66	Insurance (Composite) (6)	640.17	+0.3	-	6.86	-	28.25	638.43	641.34	635.47	536.76
67	Insurance (Brokers) (9)	1165.98	+0.1	6.99	5.81	18.72	41.27	1165.11	1163.59	1159.47	765.26
68	Merchant Banks (7)	478.65	+0.2	-	4.41	-	12.54	477.74	477.34	472.15	322.21
69	Property (36)	964.96	-0.2	5.76	4.84	24.40	22.40	967.11	969.23	965.16	837.71
70	Other Financial (18)	267.46	-0.7	10.94	6.87	11.47	9.28	269.36	269.17	268.24	235.20
71	Investment Trusts (69)	1246.88	-0.1	-	3.47	-	25.50	1248.51	1247.84	1237.06	971.05
99	ALL-SHARE INDEX (661)	1249.20	-0.1	-	4.76	-	34.68	1250.68	1258.72	1253.48	965.39

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Sep 23	Sep 20	Sep 19	Sep 18	Sep 17	Year ago
FT-SE 100 SHARE INDEX‡	2576.6	-2.9	2586.2	2572.6	2579.5	2600.3	2588.7	2583.6	2594.4	1999.2

FIXED INTEREST

	PRICE INDICES	Tue Sep 24	Day's change %	Mon Sep 23	Accrued interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	122.45	+0.01	122.44	2.01	8.77
2	5-15 years (27)	135.80	+0.04	135.75	1.99	10.17
3	Over 15 years (9)	144.72	+0.09	144.59	0.97	10.60
4	Irredeemables (6)	161.97	+0.02	161.93	3.16	8.83
5	All stocks (70)	133.95	+0.03	133.[illegible]	1.94	9.84
	Index-Linked					
6	Up to 5 years (2)	164.98	[illegible]	[illegible]	0.39	2.72
7	Over 5 years (9)	148.36	-0.04	148.43	0.67	3.42
8	All stocks (11)	[illegible]	-0.02	149.56	0.62	3.40
[illegible]	Debs & Loans (58)	115.75	-0.70	116.57	2.28	7.90

	AVERAGE GROSS REDEMPTION YIELDS		Tue Sep 24	Mon Sep 23	Year ago (approx.)
	British Government				
1	Low	5 years	8.62	8.57	11.05
2	Coupons	15 years	9.30	9.30	11.04
3	(0%-7¾%)	20 years	9.30	9.30	11.04
4	Medium	5 years	9.62	9.62	12.10
5	Coupons	15 years	9.44	9.45	11.55
6	(8%-10¾%)	20 years	9.39	9.40	11.38
7	High	5 years	9.82	9.82	12.18
8	Coupons	15 years	9.53	9.53	11.83
9	(11%-)	20 years	9.45	9.45	11.69
10	Irredeemables	†	9.51	9.51	11.15
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.90	3.92	4.57
12	Inflation rate 5%	Over 5 yrs.	4.23	4.22	4.32
13	Inflation rate 10%	Up to 5 yrs.	3.27	3.29	3.36
14	Inflation rate 10%	Over 5 yrs.	4.05	4.04	4.14
15	Debs &	5 years	11.12	11.09	14.21
16	Loans	15 years	10.92	10.84	12.99
17		25 years	10.76	10.66	12.69

‡Opening index 2573.7; 9 am 2577.6; 10 am 2580.2; 11 am 2584.7; Noon 2583.4; 1 pm 2582.7; 2 pm [illegible] pm [illegible] 3 pm 2582.2; 4.10 pm 2577.4; (a) 11.25am (b) 8.37am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is [illegible] from the Publishers, The Financial Times, Number One, Southwark [illegible] London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, Ibex House, [illegible] Minories, London [illegible] 1DY. Tel: 071-702 0991.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	[illegible]	[illegible]	29
Corporations, Dominion and Foreign Bonds	[illegible]	1	15
Industrials	277	273	948
Financial and Properties	[illegible]	117	[illegible]
Oils	[illegible]	24	[illegible]
Plantations	0	0	10
Mines	43	16	[illegible]
Others	44	48	41
Totals	530	[illegible]	1,711

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price	+or-	Net Div	Times Cov'd	Gross Yield	P/E Ratio
180	F.P.	-	198	188	Adam & Harvey	195		W10.0	5.9	6.8	3.3
25	F.P.	-	42	29	‡Airbreak Leisure 5p	41	-1	u1.75	1.8	5.7	10.6
†	F.P.	-	110	105	Capital Ventures 1p	110		-	-	-	-
4	F.P.	-	9¼	4¼	Culver 1p	5		-	-	-	-
-	F.P.	-	23	18	Eng. & Scott. Wrrnts.	18		-	-	-	-
-	F.P.	-	320	213	Eurotunnel '91 Wrnts	285	+8	-	-	-	-
100	F.P.	-	110	105	Gartmore Scotland Inc.	110		M11.6	-	14.1	-
100	F.P.	-	99	85	Do. Capital	97		-	-	-	-
-	F.P.	-	£655	£605	Do. Units	£650		-	-	-	-
146	F.P.	-	166	148	Irish Life Ir10p	164		MQ102%	-	5.6	-
100	F.P.	-	108	101	Kleinwort High Inc. 5p	107		N7.5	-	9.3	-
§290	F.P.	-	323	297	Lowndes Lambert 5p	318		L11.5	1.9	4.8	14.9
50	F.P.	-	54	47	‡Simpsons of Cornhill 5p	48		-	-	-	14.9
1	F.P.	-	½	½	‡Staselco 1p	½		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price £	+or-
100	F.P.	-	[illegible]	[illegible]	[illegible] Deb. 2001	[illegible]	[illegible]
100	F.P.	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100p	F.P.	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100p	F.P.	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
100p	F.P.	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+or-
285	Nil	-	76pm	53pm	British Polythene	74pm	-1
220	Nil	-	49pm	29pm	Ladbroke 10p	30½pm	-1½
25	Nil	-	3½pm	½pm	Mayflower Corp. 5p	3½pm	
435	Nil	-	102pm	54pm	P & O Defd. £1	68pm	+7

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ¢ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings: Sept. [illegible]
- [illegible] Dealings: [illegible]
- [illegible] Declarations: [illegible] 23
- For settlement: Jan. 6

For [illegible] see end [illegible] Service

[illegible] in ASDA, Aviva Pet., Color[illegible], Emess, Lep, Natl. Home Loans, Thames TV, Unigroup [illegible] Wilshaw. Puts in Lep [illegible] Maxwell Comm. Put [illegible] call in [illegible] Hldgs.

LONDON TRADED OPTIONS

[illegible]

September 24 Total Contracts 31,649. Calls 8,528 Puts [illegible]. FT-SE Index Calls [illegible] Puts 2,052. Euro FT-SE Calls [illegible] Puts 3,276. Eurotrack 100 Index Calls N/A Puts N/A. *Underlying security price. † Long dated expiry [illegible] prices.

UK COMPANY NEWS

Meggitt makes £39.6m rights for expansion

By Andrew Baxter

MEGGITT, the Dorset-based specialist engineering group, plans to raise £39.6m in a 1-for-3 rights issue to develop further its existing businesses and take advantage of "potential quality acquisition opportunities".

The issue is priced at 80p per share, and BTR, which owns 18.2 per cent of Meggitt, is to take up its full entitlement. The balance has been underwritten by NM Rothschild and the brokers are County NatWest Wood Mackenzie.

In light of the recession overhanging the UK engineering industry, Mr Ken Coates, executive chairman, stressed that the rights was not "a hospital job, but about building the group for the future."

A number of its businesses were, or were becoming, real market leaders and would require investment in new products and some manufacturing capacity to maintain their position. But Meggitt also wanted to develop new markets for its products. "There is no doubt we see the 1990s strongly influenced by the need to sell globally," he said.

Over the past year Meggitt had clearly signalled it was stressing organic growth over purchases, but saw the number of quality acquisition opportunities increasing. Most prospects were overseas, particularly in the US and Germany, said Mr Coates.

The announcement was coupled with a rise in first-half profits from £12.2m to £12.3m pre-tax, on turnover ahead [illegible] £150.9m (£148.4m). Earnings per share rose from 5p to [illegible] and the interim dividend is lifted to 1.2p (1.1p).

The results, which are likely to contrast sharply with others in the sector, were attributed [illegible] early anticipation of [illegible] recession, leading [illegible] a very substantial reduction in working capital, and 1,000 job cuts over the past 12 months, reducing the workforce to just over 6,000.

The aerospace division performed surprisingly well, lifting turnover and profit helped by a shift from defence to civil work. The controls side was boosted by activity in reunified Germany, and electronics at least improved on its performance in the second half of 1990. The energy division had a slow first half, due partly to the Gulf crisis, but has received a number of sizeable orders in the past three months.

● COMMENT

A rights issue in the middle of a recession will test Mr Coates' contention that the United Scientific Holdings bid debacle is now history. The dropped bid left burnt fingers in the City, but the share price reaction yesterday – down just 3p at [illegible] – suggested [illegible] shock waves have [illegible]. With a fairly robust medium term outlook, [illegible] makes [illegible], [illegible] Mr Andy [illegible] at Nomura [illegible] Institute – and a raised dividend [illegible] slightly increased profits [illegible] way of winning [illegible] friends. [illegible] clearly [illegible] from having spotted storm clouds [illegible] early [illegible] April 1990, and battening down the hatches. A reduced [illegible]ance on defence work and increased physical [illegible] in Germany and France [illegible] helped, and the interest bill, up 77 per cent at the year-end, has been pegged back. Barring disasters, Meggitt ought to be able to exceed last year's £23.8m pre-tax by a million or [illegible].

Contracting the only division to show any improvement

Tarmac hit both sides of the Atlantic

By Andrew Taylor, Construction Correspondent

THE DEPTH of [illegible] in UK and US construction markets [illegible] plain [illegible] see from interim profit figures announced yesterday by Tarmac.

The [illegible] which [illegible] sive building materials and construction businesses in both countries, suffered [illegible] in all but one [illegible] its seven operating divisions:

● UK Housebuilding: Profits declined by 71 per cent to £9[illegible] (£34.1m). as the number of homes [illegible] by the group fell by 36 per cent from 4,745 to 3,031. Sir Eric Pountain, [illegible] man, [illegible] that [illegible] improved in [illegible] second half and the group expects [illegible] between 10,500 to 11,000 homes this year compared with [illegible] in [illegible] and [illegible] in 1989.

Average prices in the first half rose by about 3 per cent to between £78,000 to £79,000. The rise disguised the large discounts which are still being offered by Tarmac and other UK housebuilders in a bid to maintain cash flow and encour[illegible] sales. Operating margins on house sales fell from 9.2 per cent to just [illegible] per cent.

■ UK Quarry Products: Prof[illegible] hit [illegible] by the con[illegible] recession, falling by 40 per cent from £40.3m to £24m. Demand for ready mixed concrete fell by 14 per cent, crushed stone by 12 per cent, sand and gravel by 22 per [illegible] and coated road materials by 6 per cent. [illegible] have come under [illegible] has fought to maintain market share.

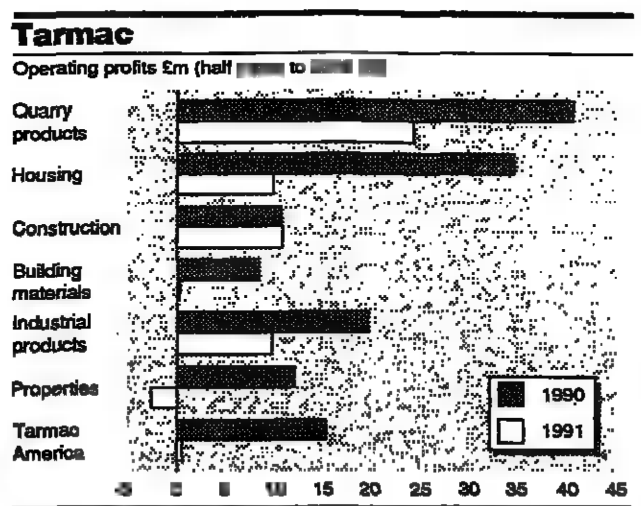
■ Contracting: This was [illegible] only [illegible] to [illegible] any improvement, with profits rising marginally from £10.6m to [illegible]. Orders [illegible] margins are expected to decline as [illegible] result of [illegible] in commercial property markets.

■ Building Materials: The division comprises mainly bricks, concrete blocks and tiles. It has [illegible] badly [illegible] result of the UK housing market collapse. [illegible] of Tarmac's brickmaking plants were closed for [illegible] at [illegible] beginning of this year and [illegible] a result profits tumbled from [illegible] to just [illegible].

■ America: The group [illegible] in [illegible] US, where [illegible] large [illegible] and building products interests, have [illegible] worse than in [illegible] UK. Construction markets [illegible] Florida and Virginia, key [illegible] for the [illegible] been particularly difficult. Profits fell from £15.1m [illegible].

■ Industrial Products: The manufacture and installation [illegible] roofing products comprises [illegible] biggest element of [illegible] division. This struggled in [illegible] UK but performed [illegible] better in continental Europe. Profits fell by 52 per cent from £19.7m to £9.4m.

● Properties: This division incurred [illegible] of [illegible] compared with profits of £12.1m last time. [illegible] market [illegible] likely [illegible] very [illegible].



Sir Eric Pountain: expects to sell between 10,500 and 11,000 homes this [illegible]

Domestic & General advances by 46%

By Richard Lapper

DOMESTIC [illegible] Group, [illegible] specialist domestic appliance breakdown insurer, reported [illegible] increase, from £3.4m to £4.95m, in pre-[illegible] profits [illegible] the [illegible] June [illegible] 1991.

From earnings of 48.11p (31.37p) the final dividend is 10.5p for a [illegible] 15p (10.5p), a [illegible] of 43 per [illegible].

The market responded positively to [illegible] figures, which followed three years [illegible] growth since D&G's launch on the USM [illegible] May 1988. The shares finished the day at 753p, up 25[illegible].

Following unsuccessful diversification the group was focusing increasingly on domestic appliance business, insuring both [illegible] goods – [illegible] refrigerators and cook[illegible] – and brown goods – [illegible] equipment, [illegible] – against [illegible].

Premiums income increased by 44 [illegible] £33.3m, the [illegible] coming from [illegible] domestic appliance business. Income from brokerage commission amounted [illegible] £546,000 (£689,000) and investment [illegible] (£4.08m).

Mr Martin Copley, chairman, explained [illegible] call for breakdown insurance products had proved resilient despite depressed demand in [illegible] retail [illegible]. This was partially because retailers, who earn a commission of about 25 per cent [illegible] premium on all policies sold, have been anxious to increase sales as [illegible] means [illegible] generating additional [illegible].

"We [illegible] believe [illegible] consumer demand for our prod[illegible] is increasing due [illegible] the ever growing dependence upon appliances in the home."

In addition premium [illegible] have been increased by between 5 and [illegible] per cent [illegible] the year. About 60 [illegible] cent of the premiums were annual, another [illegible] per cent were premiums covering a period of up [illegible] five years.

D&G was aiming [illegible] build on existing agreements [illegible] manufacturers, which it [illegible] as an important [illegible] of increasing its share of the UK market, which it currently estimated to be about 10 per cent.

The group [illegible] also aiming [illegible] expand [illegible] business, especially in Europe. Pilot operations had been launched in France [illegible] Belgium and [illegible] group [illegible] examining the possibility [illegible] expansion [illegible] Spanish market.

Following the [illegible] motorists' uninsured loss business and the withdrawal from mort[illegible] broking, [illegible] 90 per [illegible] of turnover and contribution [illegible] domestic appliance related.

Leucadia says no Molins bid for 12 months

By Bronwen Maddox

LEUCADIA National Corporation, the US financial and manufacturing conglomerate, yesterday announced that: "At least for the next 12 months it [illegible] not [illegible] making an offer [illegible] Molins unless given the opportunity to undertake full due diligence".

Leucadia, a [illegible] cent shareholder in the Milton Keynes-based precision engineering group, will propose at the extraordinary meeting on October 1 to replace three Molins directors with six of its own choice. If successful, the proposals would give it board control.

At the same meeting Molins will itself ask for shareholder permission to increase its share capital by about 27 per cent. A spokesman at Hambros Bank, Leucadia's adviser, said: "If shareholders thought that by voting against Leucadia they would precipitate a bid, this will set them straight".

Leucadia's position is conditional on Molins' financial position, profitability and [illegible]hare price.

Lazard Brothers, Molins adviser, said: "This statement merely emphasises Leucadia's real motive of seizing control without making [illegible] full offer to [illegible]".

Torday rejects Dowding & Mills claim

By Peggy Hollinger

TORDAY & Carlisle, the electrical [illegible] mechanical repair group fighting a hostile bid by Dowding & Mills, yesterday rejected claims in the offer document that it had refused to discuss proposals as "misleading".

"Mindful of its obligations to shareholders, the board indicated [on Monday] . . . a willingness to meet and to listen to any new proposals that Dowding & Mills might make," the statement from the company said. "To date this offer has not been taken up."

Mr Paul Torday, chairman, said the offer document had further confirmed the board's view that Dowding did [illegible] understand [illegible] it [illegible] acquire.

Dowding launched its 7-for-5 all-share bid on September 16, valuing Torday & Carlisle at £14.6m, or 91p per share at yesterday's closing prices. Torday's shares held steady to finish at 95p.

In its offer document, Dowding attacked Torday's decision to buy Oldham Signs as "a considerable strategic mistake". Torday claimed, however, that Oldham had been transformed into one of Europe's leading signmakers and was well-placed for recovery following substantial cost reductions.

ScottishPower chiefs pay lags [illegible] Hydro

The chairman and the chief executive of ScottishPower, which was privatised in June, are to receive lower salaries than their opposite numbers at Scottish Hydro-Electric, which is one third of its size.

The basic salary of Mr Ian Preston, chief executive, will rise from £63,000 to £160,000. Sir Donald Miller, full-time chairman, will now receive £120,000 compared with £72,500.

New executives had joined the company on the assurance that their pay would go up when it was floated.

Other executive directors will [illegible] between £100,000 and £115,000.

Henderson Highland net assets up 15%

[illegible] asset value [illegible] Henderson Highland [illegible] at end-August was 14.8 per cent up at 101.6p per share compared with 88.5p a year earlier and 93.9p at the February year-end.

Net attributable [illegible] was £759,000 [illegible] tax [illegible] £254,000 (£348,000), giving earn[illegible] 2.91p compared with [illegible] the 6 months [illegible] August 31 1990, a period when [illegible] holders' application monies [illegible] held on short-term deposit pending investment.

[illegible] second interim of 1.4p is declared making 2.8p against 2.625p and the directors expect the third and fourth dividends will be maintained at 1.4p.

DIVIDENDS ANNOUNCED

	Current payment	[illegible] payment	[illegible]-ponding dividend	Total [illegible] year	Total [illegible] year
Brent Chemicals ......int	[illegible]	Nov 22	1.6	-	7.4
Courtyard Leis §......fin	0.5	-	0.5	0.5	0.5
Domestic & Gen ......fin	10.5	Nov 28	7	[illegible]	[illegible]
Everest Foods § ......fin	[illegible]	[illegible] 5	[illegible]	[illegible]	6
Garton Eng ......int	1.75	Dec 2	1.75	-	7
Hays ......fin	2.7	[illegible] 29	[illegible]	[illegible]	3.5
Henderson H'land ......int	1.4	Nov 11	1.3125	-	[illegible]
Holt (Joseph) ......int	[illegible]	Oct 25	8	-	31
Mayborn ......int	1.4	[illegible]	1.3	-	[illegible]
Meggitt ......int	1.2	[illegible]	1.1	-	3.41
Mucklow (A & J) ......fin	3.078	[illegible] 2	[illegible]	[illegible]	5.13
Perth § ......int	nil	-	[illegible]	-	[illegible]
Ross ......int	0.03	-	nil	-	nil
Sunset + Vine ......fin	2	Oct 31	2	3.5	3.5
Tarmac ......int	3	[illegible] 9	3	-	11.25
Wolstenholme Rk ......int	6.3	Nov 12	6.3	-	[illegible]

[illegible] shown pence [illegible] except [illegible] otherwise [illegible]. *Equivalent [illegible] allowing [illegible] scrip issue. †On capital increased by rights and/or acquisition issues. [illegible] stock.

UK COMPANY NEWS

$12.7m deal gives entry to a potential market of $840m over decade

US military breakthrough by Racal

By Richard Gourlay

RACAL ELECTRONICS has won a para-military radio [redacted] tract in the [redacted] first [redacted] stantial breakthrough in that market.

Th[redacted] company [redacted] the $12.7m (£7.5m) [redacted] with the [redacted] Air [redacted] security police the most significant [redacted] breakthrough for Racal's radio group.

Racal said the timing [redacted] the announcement was not dictated by the £701m hostile bid from Williams Holdings, the industrial conglomerate, [redacted] Tuesday.

However, Mr David Elsbury, Racal's deputy chief executive, repeated the assertion made before the Williams bid, that Racal's radio business would be a platform of strength for the new group, which has traded without its 80 per cent stake in Vodafone, the cellular radio operator, since September 16.

The initial contract for the Scope Shield II radio system is for only 600 units and related equipment for delivery over two years from 1993. Racal will initially supply more than 30 USAF bases but has been told there is potential for sales to more than 230 military facilities.

The USAF's Electronics System Division (ESD) has said the potential value of the open-ended contract is $120m over seven years. Mr Elsbury, said other parts of the US defence establishment could provide a $840m market over a decade.

The Williams camp was unruffled by the announcement. "We would not expect Racal to stop doing what it does just because of our bid," an ad[redacted] said.

The ESD [redacted] being kept informed of the Racal bid.

Williams shares [redacted] unchanged at 336p and Racal was ½p lower at 56p.

Racal's radio communications division made an operating profit of £11.4m on sales of £143.7m in the year to March.

Mr Elsbury [redacted] the Scope Shield II contract had [redacted] accelerated after existing military radio had proved unreliable during Operation Desert Storm in the Gulf.

Mr Elsbury would [redacted] talk about the profitability of the project but said the USAF contract would be cash positive from its first day because [redacted] progress payments.

The $20m development costs, of which $10m was provided by the US government, have already been written off above the line.

Racal said approval of Scope Shield II by the ESD would open up export opportunities and had already led to the sale of 4,000 slightly modified units to the Canadian Department of National Defense.

Racal won the contract over Motorola, which [redacted] rejected on price grounds, and then in a quality [redacted] speed [redacted] with Magnavox, a subsidiary of Philips.

Interest fall bolsters Hays at £56.8m

By Peggy Hollinger

A SHARP drop in interest charges helped Hays, the business services group, complete the year to June 30, its first as [redacted] listed company, with a rise from £56.2m to £56.8m in pre-tax profits on a pro forma basis.

Interest payments fell from £3m to £300,000 due to an insurance policy against high rates taken out in 1987. Net debt was £19.2m, giving gearing of 18 per cent.

"[redacted] were [redacted] disappointed," said Mr Ronnie Frost, chairman and chief executive. "We had expected to come out of recession when in fact we have just [redacted] out."

However, [redacted] group's "three-legged stool" philosophy had been proven to work, he said, with some businesses bolstering others during recession.

Hays, which was floated in October 1989, is divided into three divisions: commercial, distribution and personnel.

Strong gains in the first two offset the sharp decline in personnel, which mainly supplies accountancy staff. That division suffered a 28 per cent fall in turnover and a £7.4m drop in profits to £11.6m. Mr Frost said an even sharper fall had been averted by quick action to cut costs and improve efficiency. Staff was down from 1,379 to 849.

Commercial and distribution were less vulnerable to a downturn, he said. Operating profits in the commercial business, which provides office support services, were 33 per cent higher at £16.6m. Distribution, the group's core business with 61 per cent of profits, boosted its return by 5 per cent to £28.9m.

Mr Frost said the five acquisitions during the year, representing a total investment of £23m, had contributed little to [redacted]s. "They barely covered their financing costs," he said. However, [redacted] would "contribute royally next year".

The group is looking for [redacted] ther acquisitions, mainly in [redacted] UK, France [redacted] Germany. It has embarked on two joint ventures with French companies covering [redacted] treatment chemicals and the recycling of solvents.

Although Mr [redacted] had not yet seen any sign of an upturn, prospects for next [redacted] were not bad. "At least [redacted] don't see things getting any [redacted]"

Two new contracts signed include a 25-year distribution deal with Waitrose, the supermarket chain, and five-year contract with brewers Scottish & Newcastle.

Earnings per share rose to 10p (9.75p). A final dividend of 2.7p makes a total of 4p (3.5p).

See Lex

Ross makes £501,000 in first six months

By [redacted] Hollinger

ROSS GROUP, [redacted] packaging combine which acquired [redacted] loss-making [redacted] card distributor, in [redacted] reverse [redacted] ear[redacted], unveiled pre-tax profits [redacted] £501,000 for [redacted] half of [redacted]

It also announced its largest order to date – a £6m contract to build modular buildings for the aerospace industry.

"Hard work in [redacted] difficult marketplace" had pulled [redacted] merged group out [redacted] the red, said Mr Noel Hayes, managing director.

Most of the comparative loss of £746,000 stemmed from Whittington. Closing its head office in Leeds cost £400,000 and was taken as an extraordinary item.

The group is paying a dividend of 0.03p, leaving a retained loss of £176,000. "We are confident that we will make a [redacted] profit [redacted] shareholders in the second half," [redacted] Mr [redacted]

Turnover fell from £13.4m to £8.5m, following the sale of all but one of Whittington's businesses – a small greeting card company. The main purpose of [redacted] reverse takeover had been to move Ross from [redacted] USM quotation [redacted] the full listing enjoyed by Whittington.

Mr Hayes said Ross [redacted] increasingly concentrating on higher margin areas, such as camcorder batteries. It was also moving out of the portable audio sector, to avoid "head to head competition with Japanese brands".

A relaunch [redacted] well-known headphone range had proved highly successful, he said. "All our products have shelf [redacted] and we are confident that if people buy Christmas presents we will have [redacted] good second half."

The pallet division suffered from the [redacted] in the construction industry.

Earnings per share were 0.17p (losses 2.7p).

Progress in Polly Peck Cypriot land control

By David Barchard

ADMINISTRATORS OF Polly Peck International, the collapsed fruit and electronics conglomerate, said yesterday that they were making progress in getting land held by developers in northern Cyprus back under their control.

Mr Michael Jordan of Cork Gully, the senior administrator, said that a list of developments on the island was slowly being transferred back into the ownership of names under the group's control.

But he warned that there would have to be a "sea-change" in the tourism market in northern Cyprus before some of the assets could be made to contribute strongly to the group's profits and that cash would have to be produced to develop the sites.

Many of the sites mentioned were bought in the closing months of Polly Peck's slide into administration.

Mr Richard Stone, the corporate finance specialist on the three man administration team, yesterday flew back into London after completing his latest talks with the Turkish Cypriots.

He is believed to have won an agreement from the Turkish Cypriot authorities to soften restrictions on access to records and accounts held on the island which has been blocked by an injunction brought in November last year by a group of Turkish Cypriot orange farmers.

He hopes to unlock up to £200m in Polly Peck funds which may still be held on deposit in the island.

It emerged yesterday that the administrators have still not spoken fully to Erdal & Co, the small Turkish Cypriot accountancy house which audited the Turkish and Turkish Cypriot subsidiaries of Polly Peck which contributed the main part of the group's profits.

Mr Jordan, who flew to Tokyo yesterday afternoon to put a rescue plan to the board of Sansui, the Japanese consumer electronics subsidiary of Polly Peck, appeared confident that the group will be able to [redacted]tinue as a single trading entity.

Tony Andrews

Attempting to join the board: left to right, Sir Ian MacGregor, Keith Anderson, Pierre Besuchet and Eric Kohn at yesterday's meeting

Holmes Protect coup succeeds

By Jane Fuller

THE [redacted] Group [redacted] Group, [redacted] London-listed, but [redacted] security concern, appeared to have won control of the board last night after [redacted] special general meeting in London.

The group had built up [redacted] 27 per cent stake in Holmes and gained support of other institutions, one of which assigned its support at the last minute, after gaining assurances about directors' pay, expenses and severance conditions.

The meeting considered the election of five of the group's nominees to the board, giving management control. The group, brought together by Mr Eric Kohn, chairman of Barons Financial Services (UK), includes Sir Ian MacGregor, former chairman of British Steel and British Coal, as well as Scottish Amicable.

Sir Ian told the meeting he had offered in May to "lead the charge" in renegotiating Holmes's $66m (£38m) debt with the lenders, "many of whom I have had business with over the years".

Mr Tom Mayer, Holmes chairman, said his offer had been rejected because it included inviting other members of the group on to the board. "I feel that to take control of the company they should buy 51 per cent of the shares."

Sir Ian replied that even a 100 per cent premium to the market price, 5¼p yesterday, would negligible. "It is better to rebuild the company. We don't want to steal it from you."

The incumbent management tried to gain the meeting's support for a plan to restructure the group's debt. This included reducing the interest rate on senior notes from 10.72 per cent to 8 per cent, repaying $25m by September 1993, selling operations outside New York and converting $15m debt into equity, giving the lenders a 35 per cent holding.

The Investor Group has criticised virtually every point. It has said the plan "has no chance of success and the company's shareholders will lose all of their investment if it is adopted".

Mr Mayer faced several awkward questions from shareholders. Mr John Wheatley asked whether the group was right to suggest that the remaining New York operation would have insufficient operating profit to service the $20m debt that would remain.

Mr Mayer replied that last year New York accounted for about two thirds of the business. It made $9.8m operating profit before allocating central costs of $8m. He described the group's figures as nonsense because they appeared to allocate all the central costs to New York.

He envisaged the remaining operation as making a 10 per cent return, at the operating level, on annual sales of $47m, which would be sufficient to service $20m debt.

Mr Mayer was more discomfited by a question on how the $2.4m decline in interim turnover was split between New York and the rest of the operations.

He started to dig in his briefcase to try to find the breakdown, but was told not to bother. "The significance is that you don't know. That's what shareholders are worried about."

Mr John Watt said: "I believe that had Sir Ian MacGregor been chairman, they would have seen him sooner and things would have proceeded in a different way."

UK COMPANY NEWS

Downturn in core businesses hits Brent Chemicals

By Michiyo Nakamoto

CONTINUING WEAKNESS in its core aerospace, industrial and electronics businesses [illegible] per [illegible] in interim profits [illegible] Brent [illegible] International, the Buckinghamshire-based speciality [illegible]cals [illegible].

Pre-tax profits [illegible] from a previous [illegible] on turnover up to £49.9m (£45.1m).

"There has not been [illegible] improvement [illegible] conditions," [illegible] Lord Lane of Horsell, chairman.

The company is exposed to a number of [illegible] been badly affected by the current recession.

Its industrial systems division, which provides chemicals and processing systems for [illegible] finishing, was particularly hurt by the downturn in the UK. The UK metal finishing business accounts [illegible] about 12.5 per [illegible] of overall turnover.

Demand from [illegible] industry for the group's testing [illegible] and cleaning [illegible]pounds remained sluggish as the civil aerospace sector was depressed during the Gulf war and failed to emerge from its gloom in the following months.

"We all had to contend with the fear of flying during the Gulf war," [illegible] Steve Cuthbert, chief executive.

The division, [illegible] is oriented towards the civil aerospace side, was hit across the board geographically.

[illegible] US [illegible] division, which provides chemicals used in the preparation of printed circuit boards.

The combined [illegible] in pre-tax profits from the industrial, aerospace and electronics operations fell 38 per cent to £2.65m (£4.3m).

Steve Cuthbert: Gulf war led to fear of flying

Interest income, which at £432,000 declined to less than half the previous £1.03m.

The fall in was due to investment last year of approximately £20m in the European packaging and graphic arts operations.

The division, which supplies inks, coatings and adhesives, was the most resilient, increasing its profits contribution to £2.14m (£1.92m).

Net cash at the year end is expected to total £3m against borrowings of £700,000, Mr Cuthbert said.

The interim dividend is maintained at 1.6p and the company intends to recommend a final dividend not less than the 5.8p paid last year. Earnings per share declined to 4.6p (7p).

BOARD MEETINGS

TODAY

Interims- [illegible] Boddington, Cambridge Isotope Labs, [illegible]ord Foods, Dagenham Motors, Dencora, EFM Income Trust, [illegible] Computer, Fired Earth Tiles, [illegible] Hogg Group, Johnston Press, Lep, Spirax-Sarco Eng, T & S Stores.

Finals- Baillie Gifford Japan, Cornwell Parker, Geet (SR), Oceonics.

FUTURE DATES

Interims-	
[illegible]	Oct. 2
[illegible]	Oct. 16
ERA	Sep. 30
Greencore	Oct. 7
Hampden Homecare	Sep. 26
McLaughlin & Harvey	Sep. 26
Venturi Inv Trust	Oct. 14
Finals-	
Amstrad	Oct. 3
Astra Holdings	Sep. 27
Chemring	Dec. 16
EFM Dragon Trust	Sep. 26
[illegible] Tech Services	Oct. 3
[illegible]	Oct. [illegible]
Trafford Park Estates	Sep. 26
Triton Europe	Sep. 27
[illegible]	Dec. 6

CONTRACTS & TENDERS

Victim of its own discounted success

Guy de Jonquières on Kwik Save's ability to beat the recession

AFTER A decade of heady expansion, recession seems finally to be catching up with Britain's food retailing industry. Asda and Gateway are struggling with massive debt and management upheavals, while slower sales growth has recently prompted even the mighty J Sainsbury and Tesco to cut prices.

But judging by the performance of Kwik Save, the country's leading discount supermarket group, the recession might hardly have happened. If anything, it has strengthened the appeal of Kwik Save's policy of under-cutting its larger rivals by as much as 10 per cent on branded grocery prices.

The group, which claims 7.5 per cent of packaged grocery sales, says its turnover is still rising at an annual rate of about 17 per cent and that it is [illegible] market share. [illegible] profits for the year to end-August are expected to top £100m, up from £85.1m in 1989-90.

Indeed, Kwik Save's biggest worry is that its success is attracting keener competition, in particular from Aldi of Germany and Netto of Denmark. The aggressive price-cutting chains have together opened about 85 UK stores in the past two years. Though the newcomers' impact has been modest so far, Kwik Save is girding itself for battle.

In the past five years, it has increased earnings per share at an annual compound rate of 21 per cent – second only to Tesco – by focusing on three priorities:

- Keeping capital spending low. A typical Kwik Save store covers less than 10,000 sq ft and is located on the high street or on an inexpensive edge-of-town site. New store costs range from £400,000 to £1.5m, compared with the £25m Tesco and Sainsbury spend to build a 35,000 sq ft out-of-town superstore.

Unlike its larger rivals, Kwik Save has financed recent expansion entirely from its own resources. Though [illegible] margin of almost 5 per cent on sales of £1.45bn last year was below Sainsbury's 8.6 per cent, Kwik Save's 41 per cent return on capital employed was the highest in the industry.

- Stocking only well-known nationally branded [illegible]s and refusing to follow [illegible]r UK [illegible] increasing reliance on own-label products.
- Extensive use of scanning and other sophisticated computerised systems to cut costs and improve efficiency.

The company, which operates 744 stores, is now expanding energetically beyond its traditional base in Lancashire and the Midlands. It aims to open 50 new stores in each of the next three years, principally in north east and south east England. It is already ahead of schedule, having acquired 42 stores from Gateway earlier this year.

The group has met Aldi and Netto head-on by consistently matching their prices. Its main weapon is an expanding range of "price-fighting" products, second-rank brands for which manufacturers charge less than premium prices.

Mr Simon Moffat, group [illegible]tor, says direct competition from Aldi has brought a slight fall in gross margins, recouped so far through higher sales volumes. But repelling the newcomers will have some short term financial impact, notably on the return on capi[illegible].

Mr Moffat expects it to edge down to about 35 per cent in the next two years, but to remain among the highest in the industry. "Our strategy is not to let the foreign competition in, so we won't try to maximise short-term gains by keeping prices high," he says. "Our objective is sustainable long-term earnings."

He claims keener competition will enlarge the discount sector, but he expects Aldi and Netto to be held back by a shortage of suitable store sites and by small sales volumes, which will limit their ability to secure low prices from UK suppliers.

But will all this be enough to keep competitors at bay indefinitely? After all, Kwik Save's strategy of keeping capital investments can, by definition, be emulated by others. Could its winning formula turn out longer-term to be its Achilles heel?

"I can't deny the main argument," says Mr Moffat. "Someone with a lot of money can come in and do the same thing. But we have quite a lot of small advantages, based on 25 years' experience. If you add them all up, it won't be easy."

Mucklow marginally ahead to £10.8m

DESPITE WEAK conditions in the [illegible] and [illegible] property [illegible] depressed housebuilding sector due to the recession and high interest rates, [illegible] J Mucklow Group managed to increase pre-tax profit from £10.5m to £10.8m in the year to June 30.

[illegible] Albert Mucklow, chairman, reported that lettings on the newly completed developments at Rugby, Bedford and Farnborough had been disappointing. The vacancy rate on the existing industrial portfolio, he said, increased from 208,000 sq ft to 580,000 sq ft at [illegible] end. That figure included 250,000 sq ft of older [illegible] on a [illegible] of the Saltley Trading [illegible] which [illegible] being redeveloped.

A revaluation of commercial and industrial properties resulted in a £400,000 reduction in the revaluation reserve to £187.8m. These figures have been incorporated in the [illegible] In addition all the group's other properties, including [illegible] of [illegible]oped land, were also revalued giving rise to a surplus of £13.2m which had [illegible] been incorporated in the accounts.

The group's balance sheet was strong with total borrowings of £41.1m at the year end, all of which were long term. Against this there were cash balances of £18.1m. An extraordinary profit of £10.6m, arising from a refund from the pension fund following the purchase of shares from it for cancellation, was transferred direct to reserves.

Earnings worked through at 8.11p (7.38p) and the total dividend is increased from 5.13p to 5.643p with a final of 3.078p.

NEWS DIGEST

Porth omits interim as deficit rises

PORTH GROUP, the USM-quoted Christmas decora[illegible] maker, reported an [illegible] loss of £1.82m, against £1.52m, in the first [illegible].

The result was expected but the interim dividend is [illegible] following the non-payment of the final in the previous year.

The result came on turnover of [illegible] (£3.08m). The downturn was the result of delaying production at the Christmas decorations [illegible] reducing early deliveries, said Mr Neill Bell, chief executive.

Export sales were encouraging but trading remained difficult in the UK with little sign of the [illegible] upturn, he added.

Losses per share were 8.2p (9.9p).

Wolstenholme declines to £1.24m

The recession in the printing industry hit Wols[illegible]holme Rink in the first half of 1991, with pre-tax profits [illegible] from £1.86m to £1.24m.

However, the comparison covered the period [illegible] full effects of the economic [illegible] the [illegible] result showed a significant [illegible] on the second half of last year.

Turnover of the group, which supplies products for the printing industry and is a specialist manufacturer of metal powders, rose to £27.5m (£21.6m). Earnings per share were 11[illegible] (19.2p) and the interim [illegible] is unchanged at 6.3p.

Mr Tony Rink, joint chairman, said in printing Charles Openshaw experienced a fall in UK sales, coupled with a much higher than normal bad debt record.

The recession in the building industry meant continuing low demand for aluminium powder used for aerated [illegible] building blocks.

Mayborn advances sharply to £1.3m

Trebled pre-tax profits were recorded by the Mayborn Group, the florists' [illegible]dries, fabric dyes and baby products company, for the first half of 1991.

And satisfactory trading in the [illegible] two months of the second [illegible] [illegible]ported [illegible]dence that prospects remained good, claimed Mr Ian Peacock, chairman.

Turnover came to £15.2m (£15.6m) and operating profit to £1.62m (£865,000), but the comparison included £1.67m and loss of £274,000 respectively for discontinued operations.

Interest charges were cut to £825,000 (£464,000) leaving pre-tax profit at £1.29m (£401,000). Mr Peacock said the reduction in interest payment was the result of cutting working capi[illegible] requirements. [illegible]ings at £3.9m were substan[illegible] below a year earlier.

The biggest profit increase came in fabric dyes following the management reorganisation in 1990, and there was every sign that recovery was progressing well.

Earnings per [illegible] through at 4.4p (0.4p). The interim dividend is 1.4p (1.3p).

Expansion holds up Courtyard Leisure

Courtyard Leisure, the City [illegible] London wine bar operator, doubled turnover from £778,000 to £1.57m in the year to March 31, but saw pre-tax profit fall from £97,000 to [illegible].

Mr Jonathan North, chairman, said the decline reflected costs of expanding the business and the troubled trading environment when the Gulf crisis was at its height.

He [illegible] that [illegible] progress had been made in the primary objective of creating a significant chain of wine bar/restaurants in the City.

Although temporary refurbishment closure would affect the [illegible] half, the programme was now complete and enabled a concentrated marketing strategy to be implemented for the Christmas season.

Earnings of this USM-quoted group were 0.4p (1.2p) and the dividend is again 0.5p.

Fire damage still affecting Garton

Garton En[illegible]ing, the West Midlands-[illegible] industrial metal manufacturer, saw its pre-tax profits tumble to £161,000 in the six months to June 30.

The fall, from £362,000 in the corresponding period, reflected [illegible] effects [illegible] which destroyed a distribution unit and manufacturing unit at the Wednesbury site.

Mr Aubrey Garton, chairman, said "The [illegible] in demand for our product range was, and still is, severe."

[illegible] dipped to £10.3m (£12.2m). Earnings per [illegible] worked through at 2.78p (6.18p) but the interim [illegible] is maintained [illegible] 1.75p.

Record raising £5.8m via rights

Record Holdings, a manufacturer and distributor of hand tools, is raising £5.8m, net of expenses, via a rights issue of up [illegible] 7.14m new ordinary shares at 85p each.

The issue, on a 3-for-11 basis, has been fully underwritten by Granville Holdings, and deal[illegible] in the [illegible] expected to commence today.

A final dividend of not less than 2.45p on the capital as enlarged by the rights issue is [illegible], which together with the interim of 1.15p, maintains the level of dividends paid for 1990.

Mr Michael Mallet, chairman, said he believed that the group was far from realising its full potential and that the time [illegible] right [illegible] a programme to achieve growth in both ma[illegible]facturing and sales.

Plans [illegible] been put in hand, first to [illegible]nd the use of the Parkway site by the construction of a factory/warehouse on vacant land between the existing foundry and the machining factory and, second, to expe[illegible] investment in modern plant and equipment.

Sunset + Vine dips 30% to £702,000

Sunset + Vine, which provides television production services, suffered a 30 per cent fall [illegible] taxable profits despite an [illegible] of 19 per cent in turnover for the year to June 30.

Profits dipped from £1.01m to [illegible] while turnover improved from [illegible] to £4.02m.

Mr Colin Frewin, chief executive, said the increase in turnover and the "most [illegible] profits" came despite a "virtual standstill in commissioned productions from the independent television sector."

Earnings per share were 8.8p (12.6p); the proposed final dividend is maintained at 2p for a same-again total of 3.5p.

Joseph Holt cheers with 21% upturn

Joseph Holt, the regional [illegible] which [illegible] famed in its Manchester heartland for selling one of the UK's cheapest pints, lifted interim profits by [illegible] per cent.

The increase for the [illegible] months to June 30, from £2.76m to £3.33m, was achieved on turnover ahead 28 per cent to £10.8m (£8.3m) and reflected higher interest income of £848,249 (£784,434).

[illegible] interim dividend is raised 1p to 9p, payable from earnings of 72.88p (59.38p).

Dunloe House sinks I£165,000 into red

Dunloe House Group, the quoted Irish [illegible] company that is 77 per [illegible] by Clayform, slid into the red in the six months to end-June.

On turnover [illegible] from I£4.15m to I£79,000 the loss before tax was I£165,000 (£150,000) compared with a profit of I£810,000 in the comparable period. In the [illegible] to December 31 the group [illegible] a pre-tax profit of I£107,000 on turnover of I£10.4m.

Mr Robert Ware, who took over as chairman after the resignation of Mr Bryan Burletson on July 1, said that the results reflected the fact that no property disposals had been made in the year to date.

However, he added, in spite of difficulties prevailing in the property sector in Ireland and the UK, the board was continuing its efforts to enlarge the company through acquisition.

Losses per share came out at 0.93p (2.1p earnings), and again there is no dividend.

Everest Foods growth continues

Continuing the trend in the first [illegible] Everest Foods reported record profits for the year to May 31.

The frozen foods side led the growth where the [illegible] improve profit, quality and sales were reflected in the figures.

Taxable profits for the USM-quoted company improved 43 per cent to £2.64m (£1.85m) on turnover of £30.2m (£28.9m), a rise of 5 per cent.

Mr Bob Gilbert, chairman, said that the egg division had been able to increase profits [illegible] pressure on margins [illegible] specialist food distribution had not maintained last year's performance.

Earnings per share [illegible] 17.97p (12p) and the proposed final dividend is 4.6p for a total of 6.8p (6p).

The shares rose [illegible] to 181p.

AUTOMATIC IDENTIFICATION

Wednesday September 25 1991

The ubiquitous bar code is only the most visible aspect of auto ID. Together with magnetic stripes, radio waves and microwaves, it is the foundation on which business and industry rely. **Andrew Jack** looks at a market expecting a turnover of more than $8bn by 1993

The data revolution

AUTOMATIC identification is one of the [illegible] widespread yet least [illegible] industries in [illegible]. The [illegible] means little to [illegible] outside the sector, but [illegible] applications are everywhere.

Auto ID is essentially the entry into computers of data without the need for keystrokes. Two of its most common manifestations are the bar code on retail products and the magnetic stripe on the back of credit cards.

The industry remains youthful; with a market turnover this year [illegible] more than [illegible] billion in Europe and the USA alone, and still growing phenomenally fast.

There are few aspects of life which auto ID does not touch. A shopper entering a supermarket, for example, sees bar codes on every purchase, which are scanned at the [illegible] to generate a price. The code is also giving the store instant information about the depletion of its stock, allowing it to manage inventories more efficiently.

Meanwhile the customer is likely to be paying the bill by cheque, credit card, or cash drawn out with a bank card: all of which use magnetic stripe or ink recognition auto ID techniques.

If someone attempts to leave a shop with goods they have not paid for, an alarm may well go off at the exit, triggered by a security tag - an application of radio frequency auto ID.

More sophisticated retailers are now experimenting with ways to sell the data of the products each customer buys to the manufacturers of the goods – or their competitors – for direct marketing. Clearly the technologies have spawned a wide variety of uses.

While [illegible] remain by far the largest and most visible users, auto ID occurs increasingly in financial services, manufacturing, distribution, security and the public sector.

Bar codes represent more than three quarters of the auto ID market, and are now printed on many factory components, ballot papers and official documents as well as innumerable consumer goods.

Last Saturday, the Financial Times joined three other UK national quality newspapers – The Guardian, the Independent and The Times – by introducing bar codes to help speed retailing and distribution. Several tabloid newspapers have been using the system for some time.

Some applications border on the futuristic and the bizarre

Magnetic stripes are the next most common medium, mainly due to the widespread use of plastic cards issued by banks. Smart cards, containing far more information than traditional magnetic stripes, are also beginning to find a wide range of applications.

Radio frequency tags, where a "transponder" [illegible] a signal when it passes close to a special radio transmitter, are being used in the identification of [illegible] and even prisoners. They are especially useful where it is difficult for a scanner to "see" or be adjacent to the code to be read.

Other segments, including voice recognition and machine vision, occupy more specialist niches, while some – such as the identification of the human retina – border on the futuristic and the bizarre, and still face significant technological as well as ethical problems.

The growing visibility of different forms of auto ID over the past few years has helped the industry boost its image. "Executives are no longer saying 'what are bar codes?' but rather 'how can we use them to improve our business?'," says Peter Hicks, chairman of Aim (UK), the automatic identification manufacturers' association.

In the past, the bar code was viewed as a rather strange gimmick thrust into retailing.

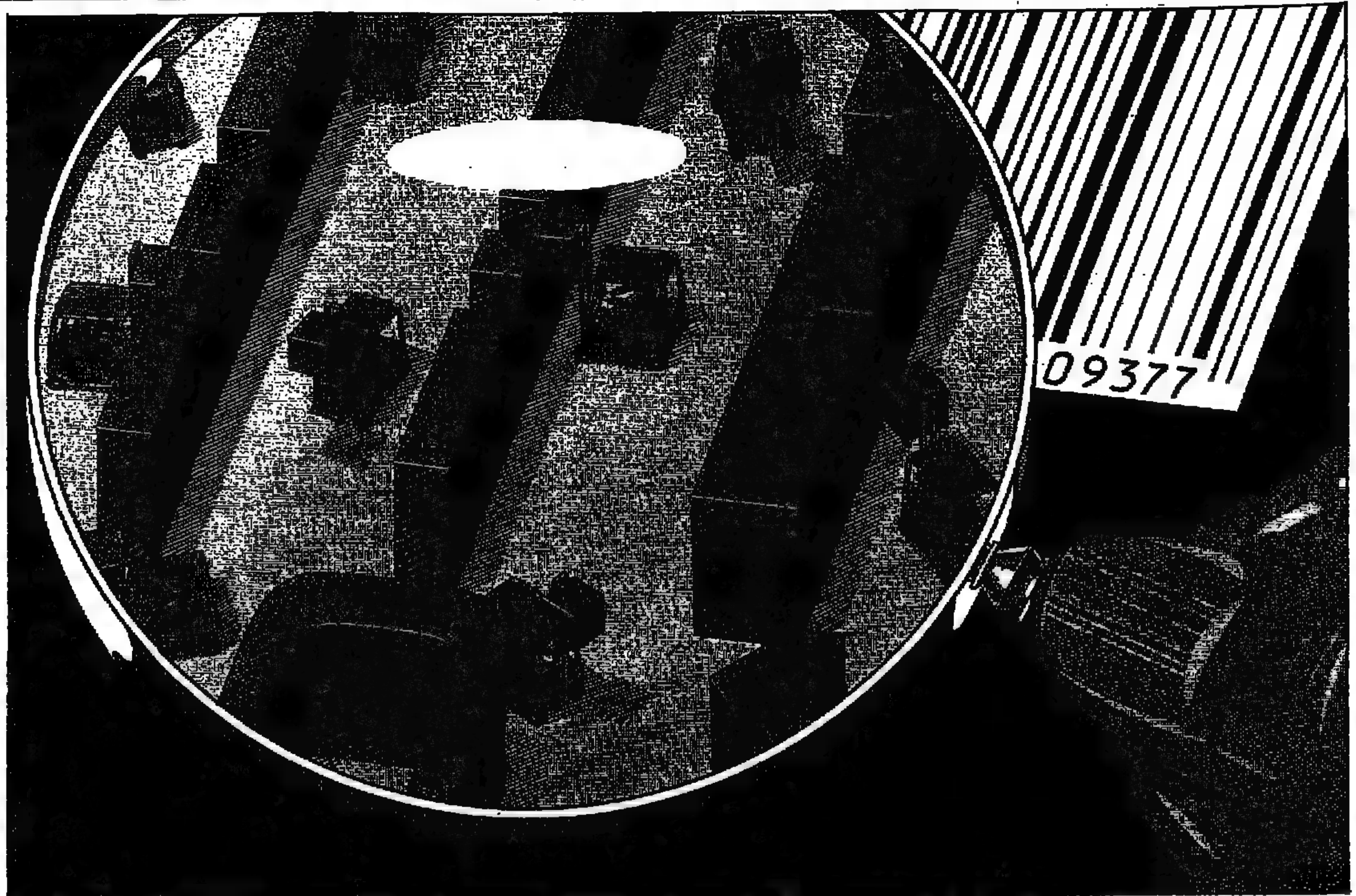
Now, he says, "it has spread like a virus to become an [illegible] computer peripheral. It is a genuine [illegible] for the keyboard [illegible] in many different sectors."

Mr Tomo Razmilovic, chairman and managing director of Symbol Technologies (Europe), believes that in the 1970s and 1980s, auto ID helped firms to improve productivity and efficiency by increasing the speed of existing [illegible]. In the 1990s, the technology is allowing them to operate in fundamentally different ways, such as just-in-time production.

At the same time, he says, the industry is switching from being technology-led towards being driven by applications. The trend is reflected in the growing amount of space given at trade exhibitions such as Aim's [illegible] to software and systems alongside new hardware.

Mike Hendry, managing director of Teconomica, a consulting firm which [illegible] research on the industry for Frost & Sullivan, the market researchers, says there was a steady flow of new products over the past five years. "Now there is an absence of things you could call new," he says. "People are settling in with existing trends. The technology leapt a bit too far. The market is catching up."

Over the coming decade, he points to rapid growth in public sector projects such as document tracking and health care, many of which take several years to develop.



The [illegible] industry, feeding on itself, remains a large potential market for bar code technology.

The main demand will continue to come from retailing, warehousing and inventory applications. "These are mature markets, but they have not reached anything like saturation yet," he says. "Retailing will remain the biggest for a very long time."

As a medium, bar codes seem likely to retain their dominance on both sides of the Atlantic for many years yet, given their cheapness, reliability and relative ease of use.

Radio frequency tagging is growing more quickly than some analysts had predicted, with the benefit that the scanner does not have to "see" or be right next to the tag. But it is held back by the relatively higher cost of equipment.

Mr Hendry says the UK market has certainly been affected in the last few months by the recession as much as any other business sector. Based on current trends, however, he expects rapid growth to continue at least over the next four or five years.

The picture is similar in the USA, where [illegible] Everett, a consultant with the Massachusetts-based Venture Development Corporation, says the sluggish economy and the [illegible] of the industry and its [illegible] have helped to moderate growth rates from the 30 to 40 per cent annual rates in the mid 1980s.

While many businesses have made an initial ID investment in perhaps one or two areas of their operation, he says, it requires far more money and serious management commitment to integrate it across all of a company's activities.

The auto ID market has become sufficiently large to attract acquisitions from external predators, such as that of Intermec by Litton, the US avionics manufacturer, recently, as well as within the industry like that of MSI by Symbol two years ago.

He projects that the US market, including exports overseas, may be around $4bn by 1994. Over the same period, Frost & Sullivan sees Western European sales growing to $3.4bn over the same period.

The industry has made considerable steps towards standardisation for bar codes.

The guidelines of the Europe-based International Article Numbering Association have been adopted in some 50 countries, while an equivalent Universal Product Code exists in the USA.

However, there are as yet no comparable standards for radio frequency and other types of auto ID equipment

Producers of scanning equipment are also concerned about two recent proposals: one by the German pharmaceutical industry to use red bar codes; and another more generally to use less intrusive invisible ink. Neither can be read using conventional laser scanners.

[illegible] have certainly not [illegible] their ideas for [illegible]. Earlier this year, for instance, Symbol introduced a new two-dimensional bar code with the capacity to store large amounts of data (see page 2).

Clearly, new applications are also continuing to develop. The company is one of several to be placing emphasis on bar code scanners which transmit the data by radio [illegible] as [illegible] as it has been read. This will help just-in-time manufacturing, and cut down on the rewiring required in stores where [illegible] tionary equipment is currently required to download the [illegible].

There is at least one key issue the [illegible] still [illegible] however: to find a name which better suits the industry. The Personal Computer and Data Capture group argues that the the term "automatic identification" does not fairly reflect the uses to which the technology is put. It also, of course, associates the industry with the rival trade body, Aim.

"There really isn't an auto ID market," says Mr Hendry. "It's fabricated." Instead, there are many separate markets for each technology, for equipment producing it and devices to read and process it.

Tomo Razmilovic suggests [illegible] processing. Mr Everett says: "You can use any phrase you like as long as you define it."

He prefers the terms "automated data capture", or "machine readable data collection technologies".

The search for the snappy title goes on.

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The European market

Source: Clarendon Reports

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[illegible]

The market is flourishing despite recession, writes **Don Ryder**

It's an ill wind that blows nobody good

IN DRAMATIC [illegible] to the chilly [illegible] in many other [illegible] this year, the European automatic identification industry [illegible] to grow steadily.

Total revenues are expected to [illegible] in 1991. This will represent an increase of 17 per cent over 1990. Forms, labels, [illegible] etc [illegible] for nearly half of that, and hardware sales alone will top [illegible] in Europe this year.

The reason for this performance [illegible] in the [illegible]. The [illegible] to control [illegible] and to improve [illegible] expenditure on auto ID is one of the [illegible] where companies can justify capital outlays.

Elimination of manual data capture and paper work by means of auto ID is an [illegible] labour [illegible].

Furthermore, the increased availability of information at speed, and the [illegible] reliability of that information, [illegible] control is attainable.

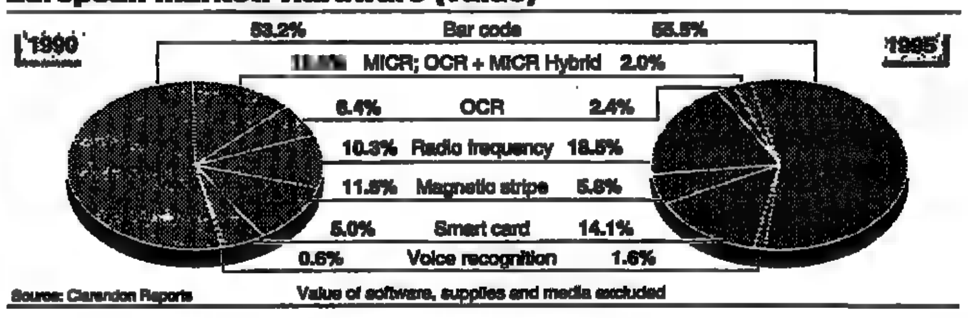
Another reason for the growth of the industry is that a critical [illegible] has now been reached. There is increased pressure on companies to [illegible] auto ID technology because of its [illegible] by suppliers and customers. For example, large retail groups increasingly require their suppliers to provide bar code ID on the outer casing of cartons and containers as well as on the individual product items being supplied.

Once the supplier has implemented the bar code labelling process at the insistence of others, he is well on the way to automatic production control and inventory control as well as automated warehouse management.

A desire to improve service is another good reason for auto ID. Luton and [illegible] are among airports that have recently implemented systems from Datalogic of Italy to [illegible] luggage.

Bar coded [illegible] on each piece of [illegible] are scanned on the conveyor belt to route luggage to the correct flight. This provides an automatic record linking [illegible] and [illegible] destination, and handling time is substantially [illegible].

European market: Hardware (value)



Source: Clarendon Reports — Value of software, supplies and media excluded

[illegible] to security procedures has also benefited the industry. [illegible] frequency [illegible] based [illegible] are often used. High frequency [illegible] solutions, such as those supplied by US companies [illegible] and Knogo, use hard [illegible] for clothing, and disposable [illegible] for goods like [illegible] and [illegible] in conjunction with [illegible] pedestals at shop exits. Electronic surveillance systems like this are big business, with the European market expected to grow to over £300m in 1991.

Another security application is that of [illegible]. The Dutch firm Nedap, for example, has installed more than 25,000 RF credit card-sized tags for security applications in London banks alone in the past few years. Simple possession of such a card would allow access to a controlled area. The familiar magnetic stripe or bar coded cards offer a lower cost alternative.

[illegible] control has the dual [illegible] of providing a data base to monitor the number of persons in a building, useful in case of emergency.

Bar coding [illegible] the technology which attracts [illegible] spending. The unit cost of printing [illegible] is low compared to RF or smart card costs; and printing [illegible] are sufficiently high to cater for [illegible] surfaces and environments. The continuing [illegible] into a bar code [illegible] more than a thousand characters can now be stored in a symbol. If this new [illegible] symbology catches on, a host of new application areas will open up [illegible] technology.

The fastest growing sector in auto ID is RF, due to its relatively high information storage capacity. Further, information can be read and written at a distance: contact-free card/tag systems for vehicle access control and car park or toll road management are common applications.

Magnetic stripe, as exemplified by the ubiquitous credit card, or as seen on the back of British Rail tickets, is the poor cousin of the technology. Usage nevertheless [illegible] to grow, not least because it is cheap. According to Omron Europe, the [illegible] leader in magnetic stripe reader/encoder products, shipments will continue to increase in 1991 despite the [illegible] of the banking sector in smart card technology. To cope with this shift, manufacturers [illegible] hybrid card readers which can cope with both technologies. In the long term, however, Omron expects great things from optical memory cards, given their large memory capacity (currently 2BM).

OCR and MICR [illegible] widely used in the financial sector for reading and processing cheques, [illegible] vouchers and giro payment slips. A change to imaging technology is expected. Here the total image of the document is captured and then processed. Image applications require large [illegible] age, and prices for a 20 workstation system [illegible] from [illegible]. Accordingly, suppliers expect a gradual move away from OCR and MICR.

Eastern Europe has provided a whole new market for auto ID technology. It is difficult to market goods in the west without bar code technology; the sudden flood of new goods in [illegible] an urgent need for anti-theft devices; and there is a strong desire to modernise and improve productivity. These are powerful [illegible].

Are there any negative factors? The main need is for qualified systems integrators to serve the smaller customers. If the potential sale is for hundreds of thousands of pounds, there is no shortage of able and willing integrators, but the same is not true for smaller systems. [illegible] also need informed advice from suppliers, [illegible] all [illegible] concentrate on one technology.

The net result, however, is that in [illegible] the recession, the European auto ID industry continues to prosper. It's an ill wind that blows nobody good.

The author is MD of Clarendon Reports, London, which produced the 1986, 1988 and 1991 AIM Europe reviews of the auto ID market

Autotellers may not solve ALL problems – but queues were longer before magnetic stripes

AUTOMATIC IDENTIFICATION 2

Andrew Jack gets on the air

A clear signal is beaming to the future

IF BAR CODES are the most common form [illegible] ID, radio frequency (RF) identification has some [illegible] the [illegible] unusual applications.

There are bracelets to allow prisoners [illegible] live [illegible] home as long as they do not [illegible] too far; indicators to keep [illegible] of workers in remote and dangerous [illegible] and there are [illegible] rity [illegible] on retail goods [illegible] pre-

There are bracelets to allow prisoners to live at home [illegible] long as they do not stray too far ...

[illegible] shoplifting.

One [illegible] the pioneers in the field [illegible] Mike Beigel, [illegible] partner in Avid, a Californian company which specialises [illegible] injectable [illegible] for [illegible] As an electronics engineer, he [illegible] approached in [illegible] late [illegible] a way to identify horses to pre[illegible] them being switched at race meetings [illegible] for [illegible] swindles.

Mr Beigel [illegible] a low frequency "passive transponder" which could be implanted [illegible] animals with a syringe. It has no battery, [illegible] becomes energised and [illegible] unique [illegible] when placed near [illegible] special scanner.

The coil [illegible] wrapped in [illegible] form [illegible] glass which [illegible] non-biodegradable and [illegible] no [illegible] It would require sur[illegible] it, but [illegible] should [illegible] necessary, [illegible] no battery which [illegible] replacement.

The [illegible] now expanding into Europe, and [illegible] recently launched [illegible] system in [illegible] UK to identify [illegible] pets.

Another project under development will mark laboratory animals [illegible] prevent [illegible] having [illegible] tattooed, as they [illegible]

The potential range [illegible] applications is enormous. The advantage of RF is that there is no need for physical contact [illegible] the scanner and [illegible] which [illegible] to [illegible] used in [illegible] wide range [illegible] environments, and with greater speed than if the [illegible] and [illegible] had [illegible] placed [illegible] each other.

[illegible] Instruments [illegible] convinced by [illegible] significance of RF [illegible]hnology [illegible] it [illegible] established [illegible] within [illegible]

... And security tags on retail goods to prevent shoplifting

[illegible] with [illegible] own board [illegible] and 150 staff, Texas Instruments Registration and Identification System (TIRIS).

Mr [illegible] Middleton, marketing manager, [illegible] "We originally developed the device for pig identification, but quickly [illegible] the [illegible] far larger."

TIRIS [illegible] pursuing [illegible] major market segments:

- Aircraft baggage and freight: for [illegible] identification of goods [illegible] ensure they [illegible] directed to [illegible] right aircraft;
- Tyre management: [illegible] the risk [illegible] theft and extend the [illegible] tyres [illegible] identifying [illegible] which can be retreaded;
- [illegible] tracking: [illegible] monitor items during manufacturing, helping inventory control and production [illegible]
- Security: [illegible] control for personal and vehicles to restricted areas, and [illegible] tracking to monitor office equipment to prevent theft;
- Animal [illegible]

"It's such a diverse market," says Mr Middleton. "We're investing heavily in [illegible] TIRIS programme, and plan [illegible] be the leading [illegible] frequency supplier [illegible] the [illegible] five years."

Other companies [illegible] specialised in high frequency RF identification, which [illegible] principle but with low [illegible] microwaves. It [illegible] advantage of [illegible] using [illegible] beam which can be [illegible] accurately directed, and [illegible] operable [illegible] longer distances than lower frequency equivalents.

[illegible] of the [illegible] topical examples [illegible] new traffic tolling system at [illegible] Dartford River Crossing [illegible] of London, [illegible] contract recently [illegible] by Saab Combitech [illegible] operating by [illegible] end [illegible]

[illegible] than requiring drivers to queue and pay a toll to [illegible] attendant when they approach the tunnel and bridge complex, [illegible] design [illegible]

... Indicators to keep track of workers in remote and dangerous areas ...

[illegible] RF [illegible] to [illegible] vehicle.

The tag gives [illegible] number of an [illegible] opened by each driver, which is [illegible] accordingly. If [illegible] empty, or no [illegible] detected, a red light comes on and [illegible] vehicle [illegible] videotaped.

The [illegible] have [illegible] range of [illegible] 5 metres, [illegible] have been carefully positioned to *avoid the risk of picking up a* signal from the tag on the [illegible] in front of or behind the one being scanned. The micro[illegible] can penetrate dirt, moisture, [illegible] and plastic easily to detect [illegible] tag, even when [illegible] is angled [illegible] degrees away from the source.

The cost of the entire tolling system is approximately £2m.

Andrew Pickford, area manager for [illegible] Combitech, [illegible] company's alliance with [illegible] CSEE, [illegible] well respected manufacturer of coin machines, helped it to offer [illegible] integrated tolling package which [illegible] contract.

Some commentators have raised ethical objections to computers holding information on exactly [illegible] using the crossing and when. [illegible] the system could be [illegible]figured [illegible] keep each driver account anonymous, but Trafalgar House, [illegible] ultimate operator, [illegible] against this strategy.

Over the [illegible] years, [illegible] Beigel says, there is great scope for technological advancement in RF systems. "Bidirectional" tags, which can be reprogrammed [illegible] "written to" [illegible] well as read, will become more common.

He [illegible] RF transmission and [illegible] systems will generally begin to be [illegible] in the mass [illegible] the tags, but [illegible] will remain proprietary [illegible] security in certain applications.

Neil Buckley looks at warehouse technology

An end to the 100-hour week

WAREHOUSE staff at Panasonic Distribution [illegible] Bracknell do not have happy memories of [illegible] They found themselves [illegible] working seven-day weeks, sometimes on 17-hour shifts; [illegible] started sleeping [illegible] site.

[illegible] problem [illegible] a [illegible] to new premises, combining [illegible] separate traditional block-stacking warehouses in Slough into one high-bay store [illegible] Bracknell in May [illegible]

The original paper-based [illegible] control system Panasonic adopted simply [illegible] not up [illegible] the task of controlling the movement [illegible] 800 pallets [illegible] day in a busy warehouse [illegible]ing 100,000 sq ft.

Every time [illegible] forklift truck driver put away a pallet load, he had to fill in by hand [illegible] check digit form which [illegible] returned to [illegible] the correct location had been used.

Often, however, forms [illegible] replaced, or [illegible] returned only hours later. Finding [illegible] wrongly-placed pallet hours after the event [illegible] all but impossible.

[illegible] discrepancies reached nearly [illegible] per cent, despatch of orders was slow, and [illegible] often they were [illegible] they arrived.

In desperation, PDL [illegible] in software house Systems Solutions of Fleet in Hampshire, to produce [illegible] new stock control package.

The resulting system, christened St Peter as before its arrival Panasonic employees "went through hell", transformed the operation of the warehouse.

The £100,000 system, which came on line in January 1990, [illegible] the concept of disseminated computing.

At its heart [illegible] an IBM 3370 mainframe computer, which holds information common to all departments. Distribution [illegible] downloaded every night [illegible] Peter.

The clerk selects containers arriving on [illegible] day and creates [illegible] "envelope" for each container, including stacking plans, bar-coded labels for goods to be stored [illegible] Bracknell, [illegible] for pallets [illegible] sent to other depots.

The labels help check [illegible]racy of receipts. If [illegible] boxes are due, for example, with [illegible] to [illegible] pallet, the system produces 10 [illegible] for each 35 boxes) and [illegible] label for five [illegible] Provided [illegible] stacking plan is adhered to, staff need count only the part pallet.

Highly efficient stacking plans [illegible] generated by [illegible] separate software package, Palletmanager, developed by Gower Optimal Algorithms, using [illegible] dimensions of cartons, the relevant pallet type and the [illegible] available.

Incoming stock [illegible] delivered to [illegible] pick [illegible] despatch station, where [illegible] read by laser [illegible] instructions displayed on a [illegible] on [illegible] radio [illegible] terminal in each [illegible] truck.

The forklift driver deposits the pallet in the allotted [illegible] the [illegible] terminal, and [illegible] system checks the accuracy of the delivery.

Any [illegible] is spotted immediately, and no further instructions [illegible] given until the [illegible] corrected.

[illegible] Bracknell warehouse on [illegible] weekly cycle. [illegible] an order is placed – often [illegible] to [illegible] months ahead – it [illegible] not printed by the computer, but held in the memory as [illegible] prototype invoice.

Two days before delivery, [illegible] order [illegible] down[illegible] from [illegible] IBM [illegible] the St [illegible] system.

Picking instructions [illegible] sent directly to [illegible] radio terminals on [illegible] trucks, eliminating the need for 500 picking lists and [illegible] visual control cards.

Once each [illegible] been completed by the driver, an electronic [illegible] control card [illegible] immediately updated.

This electronic [illegible] card, unlike [illegible] manually maintained one, is 100 [illegible] cent accurate [illegible] all [illegible]

[illegible] outgoing load has been assembled, the driver [illegible]s and quantities into [illegible] hand-held terminal, and the system confirms [illegible] accuracy, [illegible] bleeps [illegible] prints out [illegible] discrepancy report [illegible] error.

The system [illegible] revolu[illegible] stocktaking. Previously, stock was checked each morning by counting all products moved [illegible] previous day.

[illegible] figure is automatically maintained by [illegible] Peter, [illegible] "report" the balance which remains whenever goods are put in or [illegible] out.

Management has greater awareness of what [illegible] happen[illegible] in the warehouse at all times. The system indicates which [illegible] operating, the number [illegible] breaks – official [illegible] unofficial – taken by each driver, and the proportion of the day's work accomplished by each driver.

Incentive prizes are awarded to [illegible] with the highest pick rates.

"We're delighted with the system," says Mr Paul Stephens, [illegible]tgoing planning con[illegible]ller at PDL.

"Productivity has increased by 50 per [illegible] don't need temporary staff any more; and we've regained total control over stock."

The system still has the potential [illegible] even greater efficiency.

Future plans include eliminating paper completely by creating electronic "goods-in" envelopes, moving the printing of delivery [illegible] the point of delivery, and installing hand-held terminals with bar code readers [illegible] each delivery truck.

Gettysburg address

THIS 2¼x2½ bar [illegible] the entire [illegible] Gettysburg [illegible] – about [illegible] words. Symbol technologies launched a 2-D patterned bar [illegible] – possibly the bar code of the future – [illegible] year. It [illegible] capable [illegible] storing large quantities [illegible] information, [illegible] *Andrew Jack*.

The new pattern – more [illegible] "portable file" than a conventional bar code – has many potential [illegible] where more information is required. It might [illegible] used in connection with hazardous waste shipments, for example, where it [illegible] important to store detailed handling information with the material.

Conventionally,* [illegible] *bar* code or other identification number would link [illegible] waste package to detailed instructions on a database. The danger [illegible] that the [illegible] could [illegible] destroyed or lost before [illegible] *information is needed.

The new bar code, PDF 417, will permit hundreds of [illegible] to be displayed in a single square [illegible] It can be printed and read using existing equipment, although it is likely to require the development of new scanners to read successive columns effectively.

Other two-dimensional bar [illegible] have been introduced in the last few [illegible] stacking [illegible] codes one on [illegible] another. They have yet to become widely accepted.

Symbol owns the patent *on many aspects of the* original bar code, which it [illegible] licenses to other companies.

Geoffrey Wheelwright looks at development trends

Small, fast and flexible

IF [illegible] *is* [illegible] *single trend* which [illegible] typified technological development of [illegible] automatic identification industry over the past [illegible] years, it [illegible] the [illegible] of systems away [illegible] check-out counters. [illegible] automatic identification systems [illegible] supermarkets are [illegible] big part of [illegible] world market, miniaturisation, flexibility and innovation have moved systems into commercial, industrial and heavy goods environments.

The development of [illegible] of bar code, CCD and wand scanners for [illegible] use with handheld computers, for example, [illegible] revolutionised the way many [illegible] their stock control operations. Rather than having [illegible] check warehouse stock through [illegible] central bar code reading system as it enters [illegible] leaves the property, employees can now clip [illegible] portable scanner and computer [illegible] their [illegible] buckles and [illegible] each box or palette [illegible] it is being [illegible] As these devices are [illegible] smaller, they are also getting more rugged – [illegible] survive the harshest field environments and the most [illegible] applications.

[illegible] new products [illegible] Cheshire-based Datacap, a [illegible] develops products for use with [illegible] computers:

- A battery-operated printer [illegible] uses thermal printing technology to produce high-speed, high-resolution print suitable for bar coding. It is also designed to [illegible] withstand up to [illegible] drop on [illegible] concrete
- A "radio pen" designed to provide bar code reading [illegible]*bility* [illegible] *environments* [illegible] restrictions [illegible] other adverse [illegible] prohibit [illegible] of conventional, wired [illegible] code readers. Similar in [illegible] a ballpoint [illegible] slim, lightweight [illegible] a [illegible] reader, and [illegible] it [illegible] receiver unit plugged [illegible] the top [illegible] a [illegible] computer.

By using [illegible] to transmit the data, the pen can be up [illegible] 7 [illegible] from [illegible] data capture [illegible] or portable [illegible]puter [illegible] transmitting [illegible] It operates [illegible] up to [illegible] hours, [illegible] matically [illegible] in [illegible]

[illegible] in such [illegible] kinds [illegible] options [illegible] computer and [illegible] capture [illegible] manufacturers feel compelled [illegible] offer [illegible] with their systems.

British handheld computer maker Psion, for example, recently launched [illegible] range. This has built [illegible] standard a RS232 and parallel printer interface, and will optionally have [illegible] "quad-standard" internal modem for communication over the telephone line. There is also [illegible] bar [illegible] scanner [illegible] port for wand, [illegible] and [illegible] scanners) [illegible] includes [illegible] ing algorithms for all common bar codes, and [illegible] magnetic [illegible] for reading "striped" magnetic [illegible] such as bank [illegible] credit cards.

Psion's moves [illegible] particularly interesting given [illegible] hundreds of [illegible] of Organiser II handheld units the company [illegible] sold [illegible] retail products – and whose users began to demand auto ID features [illegible]

According [illegible] marketing director Peter Norman, [illegible] Psion Organiser, [illegible] suggests, was initially developed as a [illegible] "personal organiser". Almost by accident, Psion found there was a commercial and industrial [illegible] for [illegible] systems. Corpo[illegible] Spencer [illegible] started taking [illegible] – NatWest [illegible] part of [illegible] service operations and [illegible] for their price-checking, and, [illegible]sequently, for checking credit card validity.

This [illegible] now [illegible] an important [illegible] for [illegible] months [illegible] announced [illegible] machine [illegible] commercial, public [illegible] and industrial [illegible]

Keith Gallagher, managing director of handheld computing pioneer Husky, agrees about the business opportunities offered by combining [illegible] auto ID technologies with handheld computers [illegible] part of an emerging demand for "field-based" computing.

"We can replace pen and paper data collection systems for measurements, bearings and manufacturing systems," he [illegible]

"We [illegible] the [illegible] of the [illegible] system. [illegible] are involved in local government PC and host-based systems, where handhelds [illegible] natural extensions [illegible] software developed for managing local authorities, parks and conducting rent collection."

In those [illegible] of applications, the types of data entry will vary tremendously – from [illegible] keying [illegible] of [illegible] via keyboard (something which does [illegible] fall strictly [illegible] head[illegible] automatic identification) [illegible] *magnetic* [illegible] reading and bar [illegible] recognition.

It [illegible] clear, however, [illegible] traditionally labour-inten[illegible] government agencies [illegible] local authorities are having [illegible] look at [illegible] technologies [illegible] solve their labour force problems.

In [illegible] systems used in [illegible] ID are likely to get smaller, faster and will be able to operate for longer periods using less power. This is particularly *true for portable* equipment – [illegible]ich appears to be [illegible] much of [illegible] growth in [illegible] market [illegible] at the moment.

In conjunction with this, handheld computer systems are developing commensurately in [illegible] a way [illegible] will be able to allow users [illegible] receive [illegible] faster rates, store much more [illegible] and be able to manipulate and retrieve it more quickly.

Using radio pens, CCD scanners and laser "wands", businesses will be able to use automatic identification technology in almost any circumstance to record the purchase or stock movement of any kind of manufactured product.

Finally, as this technology converges with cellular [illegible] PCN [illegible] telephone systems, data captured in the field using mobile automatic identification systems will then be able to be stored at a company or organisation's headquarters [illegible] from the moment it [illegible] recorded.

Geoff Wheelwright announces the arrival of less troubled travel

Progress in the departure lounge

ONE of the industries to [illegible] from the use [illegible] automatic identification technology has been [illegible] airline business. From airline ticketing to baggage handling [illegible] in-flight duty-free sales, coding and scanning [illegible] become an integral part of making air travel possible.

[illegible] wide-ranging airline ticketing scheme began [illegible] the introduction on [illegible] trial basis of [illegible] Advanced Ticketing and Boarding [illegible] (ATB), with [illegible] pilot [illegible] by Swissair at [illegible] airport, and similar trials operated by Lufthansa, [illegible] Airways, Air France and others.

ATB is a combined ticket [illegible] boarding [illegible] stored on [illegible] magnetic stripe which can [illegible] printed out. It is designed [illegible] eventually replace the separate flight coupons and boarding passes now used.

When the ticket is issued, details of the passenger's [illegible] flight number [illegible] class [illegible] entered on the magnetic stripe.

[illegible] has continued to win converts throughout Europe. In June last year, for example, [illegible] a [illegible] from Scandinavian Airlines System for a new [illegible] system, which [illegible] ticketing, printing, check-in and automatic gate direction.

ATB, now on trial is designed eventually to replace separate flight coupons and boarding [illegible]

But ticketing is [illegible] only area to benefit from auto ID technology. It is also being used [illegible] improve luggage handling.

In June, news broke of [illegible] development of [illegible] new system by [illegible] British Technology Group called Brals (baggage reconciliation and [illegible] system), a company funded by BTG and Syntech Information Technology. It is designed to combat an ever-increasing problem for modern [illegible] travellers – the delays and security risks [illegible] when someone's luggage [illegible] plane and [illegible] owner does not.

The system [illegible] aimed [illegible] *quickly isolating* the baggage of [illegible] who fails [illegible] board a flight. The [illegible] sabotage is [illegible] fact of [illegible] life, and the search for such baggage can [illegible] cause [illegible] plane craft to miss its allotted take-off slot and thus be delayed for many hours.

Brals is also used to combat the age-old problem of lost luggage. It operates by issuing a bar-coded ticket for each piece of luggage checked in at the airport. The system takes a note of each code and numerals assigned to each bag, and stores that with the name and [illegible] number [illegible] the [illegible] who has [illegible] in.

Through the [illegible] of bar code scanning, the location of each piece of baggage can thus be accurately traced as it moved towards [illegible] plane – while [illegible] through both [illegible] aforemen[illegible] airline ticketing system and [illegible] airport's internal [illegible]rity.

In addition, [illegible] number [illegible] major [illegible] are starting [illegible] use automatic [illegible] systems in their on-board retail operations [illegible] duty-free [illegible] Virgin Atlantic, for example, [illegible] the [illegible] Organiser [illegible] of handheld computers – [illegible]bined with bar code readers – to manage in-flight duty free sales. This provides the airline with immediate figures on duty [illegible] sales, makes stocktaking [illegible] and eliminating paperwork.

Finally, auto ID technology may eventually play a part in the growing "mobile office" [illegible] – whether it is on a plane, boat or in a car – as salespeople use it to scan in details of stock and inventory information [illegible] they makes sales.

Taken to mean many things in the [illegible] years, most experts [illegible] days seem [illegible] that [illegible] portable office boils down to a *combination of* portable telephone, [illegible] machine, battery-operated computer, perhaps [illegible] reader, computer printer [illegible] computer *modem*.

A prototype 'mobile office' fits under [illegible] car armrest and incorpo[illegible] computer, telephone and fax

With [illegible] it is easy to conduct a great deal of business – even from the back of [illegible] moving car.

In fact, Ford is so convinced [illegible] this that [illegible] has already developed a prototype "mobile office" system which pulls out from the armrest of one of its executive cars.

The computer and cellular phone provide the heart of any such system. The portable fax machine can either be a battery-operated version of a traditional fax (except operating over cellular rather than land lines), or be a "fax card" which is added into the computer itself.

The [illegible] some advantages in that [illegible] does not require a computer printer in [illegible] send and receive [illegible] Incoming [illegible] displayed [illegible] while outgoing [illegible] composed on the computer and then sent directly from [illegible] to the receiving fax machine.

Neil Buckley looks at different data capture devices

A step closer to the brave new world

SOMETHING special is about to happen to Daisy the cow. Before long, she may find herself wandering into a computer-controlled feeding station, where she will be automatically identified by a portable data capture device which reads a tiny radio tag under her skin.

A predetermined amount of feed will be released, she will be weighed, and her future dietary needs assessed.

This is just one example of the way automatic identification could spread to all aspects of daily life, thanks to increasing miniaturisation and portability.

'The scope of applications for portable data capture is limited only by the imagination of the user'

"The scope of applications for portable data capture," says Mark Marriott, chair of the Automatic Identification Manufacturers' Association committee on portable data collection, "is limited only by the imagination of the user."

In the past, data capture devices tended to be fixed, but the last few years have seen the development of portable devices containing both scanner and memory/processing facilities.

Until recently, most people's idea of such machines was, in the words of Mr Marriott, of "brick-shaped devices with a keyboard and screen". New technology and the increasing trend towards automatic data capture have brought a move away from that traditional shape to more convenient, ergonomically designed devices.

Data capture devices incorporating bar code readers are now available in a range of sizes. The smallest, little larger than a fat pen and easily carried in a shirt pocket, is a simple device with a bar-code reading tip, display and a very limited memory. Next up is a gun-shaped bar code scanner, traditionally connected via a cable to a central host computer, but now increasingly found with on-board battery and memory.

More advanced are integrated one-handed units with memory, display, a keyboard for secondary data entry, and a built in wand reading tip. The most sophisticated devices have a built-in laser scanner, and a gun-type han[illegible]. The operator points the device at the bar code, presses the trigger, and the information will be displayed.

Leading manufacturers of portable data capture devices include US companies Symbol Technologies, Telxon, and Intermec, UK-based Psion, Infos in Italy and Hoeft und Wessel in Germany.

Significant advances have also been made in the last few years in communications between portable [illegible] host systems.

Traditionally [illegible] was a [illegible] physical [illegible] between them, [illegible] in the form of a cable.

But recently manufacturers have increasingly used [illegible] or slots into which hand-held devices can be dropped, with an optical [illegible] link allowing data [illegible] be carried out quickly [illegible] conveniently.

However, [illegible] capture devices [illegible] not only used in site-based systems, but can be used in the field. Telephone comm[illegible] technology is well established, and some hand-held data capture devices have built-in modems.

Perhaps the most important advance in data transfer, however, has been the development of radio frequency data communications.

The next few years are likely to see the arrival of separate networks for communication of [illegible] by radio, [illegible] existing [illegible] radio networks.

In [illegible] US, the Ardis network, [illegible] joint venture [illegible] IBM and Motorola, [illegible] launched in April [illegible]. This is [illegible] data communication [illegible] which [illegible] using computers or [illegible] capture [illegible] gain access to central computer systems without using a phone, via a combination of existing IBM and Motorola transmitters. Sears, [illegible] and Company, New York Life Insurance, [illegible] Otis [illegible] all testing the system.

Similar [illegible] to [illegible] in Europe [illegible] soon, allowing [illegible] from telephone links to real-time [illegible] using radio frequencies.

Such [illegible] up many possibilities. A [illegible] field, for example, [illegible] receive [illegible] information via a portable terminal on jobs to be done and calls to be made. As particular spare parts were used from the stock in the van, a bar code reader would register and transmit the fact back to base.

On return, replacements for the parts would be waiting for the technician at the warehouse – perhaps themselves quickly located using auto ID – with no need for extensive paperwork.

The trend towards RF communication in field-based operations is likely to be mirrored on site. Already, narrow-band radio communications are being used in warehouses, retail organisations and factories to to transmit information from data capture devices to a central host computer.

Future years may see the rapid growth in the use of spread-spectrum RF data communications, where information is transmitted across a broad range of frequencies. This has recently gained popularity in the US, since it does not require the [illegible] the radio frequency within [illegible] site – unlike narrow-band, it [illegible] not [illegible] problems. It also allows large numbers of devices to communicate [illegible] one another [illegible] high speed.

Spread-spectrum communi[illegible] expected to be approved across Europe on wave-bands not used for any [illegible] – so-called "gar[illegible] frequencies". [illegible] could allow [illegible] development of fully integrated [illegible] systems, with workstation terminals,

Spread-spectrum communications are expected to be approved on wave-bands not used for any other purpose

portable PCs and data capture devices all communicating via radio waves, with no need for cables.

A final area of development is Radio Frequency identification (RF), where data capture devices pick up information by [illegible] from tiny tags. The [illegible] of this [illegible] that no [illegible] line [illegible] sight [illegible] between [illegible] capture device and the tag.

These can be put on badges, or collars and used for security purposes to permit or deny access through automatically-locking doors, for example.

They can also be injected under the skin of animals – or humans – for identifying anything from animals on farms, in zoos or in the wild, to soldiers on the battlefield.

At present, however, RF is relatively costly. Tags cost $5 [illegible] – not too bad for small-scale [illegible] but prohibitive where thousands or millions of items are involved. There is also as yet no industry standard system for RF, so radio tags tend to lose out to the humble bar code.

Systems integrators ease the way, says **Neil Buckley**

Carving the peg to fit the hole

SOME potential users [illegible] automatic identification technology are put off by seeing no simple [illegible] to [illegible] it, or [illegible] incorporate [illegible] into their existing computer [illegible].

Auto ID is not an [illegible] in itself, and there is, strictly speaking, no [illegible] thing [illegible] ID system. Auto [illegible] subsystem, on which [illegible] larger [illegible] – such as [illegible] stock control [illegible] control system – depends. [illegible] ID subsys[illegible] can operate as a part [illegible] larger system.

The skill [illegible] getting all the different components, which may include [illegible] types [illegible] bar [illegible] scanners [illegible] data capture devices and [illegible]plays, network controllers, [illegible] and [illegible]nframe, [illegible] work together to [illegible] out the [illegible] required.

For potential users who [illegible] looking for ways to [illegible] the power of [illegible] ID, [illegible] growing number of [illegible] "systems integrators" [illegible] advice, [illegible] link equipment together.

"The [illegible] of [illegible] industry [illegible] systems integration," [illegible] Marcel, managing [illegible]tor [illegible] BCS [illegible] Systems, Kingston-upon-Thames, [illegible] service.

[illegible] in [illegible] market [illegible] increasingly looking [illegible] things, [illegible]. Firstly, they want [illegible] "one-stop shop", [illegible] they [illegible] complete package of hardware, which [illegible] be from more [illegible] one manufacturer, [illegible].

Secondly, they [illegible] systems [illegible] software [illegible] their requirements.

"People don't like to be told, here's this package we do, and here is how you might use it. [illegible] we [illegible], 'let's write some software based on what you are doing'," says Mr Marcel.

[illegible] specialists in auto ID systems integration, including companies [illegible] as Alpha-Numeric Systems of Bourne End, BPCC [illegible] Arts in Maidenhead, and Symlex of High Wycombe, try to meet both these needs.

A "front-end" data capture system can [illegible] almost [illegible] kind of [illegible] processing system, [illegible] systems integrators say. Often [illegible] easiest [illegible] is to run [illegible] ID [illegible] through a PC, [illegible] reports [illegible] to a mainframe [illegible] computer.

Getting [illegible] system designed [illegible] expertise [illegible] the best way to ensure it does precisely what it [illegible] designed [illegible] do.

[illegible] it is possible [illegible] buy the components from separate sources and link them together, surveys [illegible] shown [illegible] high level [illegible] dissatisfaction [illegible] the results among companies [illegible] have chosen this route, compared with customers who [illegible] systems integrators.

While it is possible to buy the components from separate sources and link them, surveys have shown a high level of dissatisfaction

They liaise [illegible] the customer to discuss requirements, suggest different options, and design complete systems including hardware [illegible] custo[illegible].

This can cover every stage from designing appropriate bar code symbiologies and labels, to providing after-sales maintenance and training.

Using such systems integrators also saves time, as they are able to recommend appropriate hardware, thus avoiding the need for customers to approach a number of different manufacturers.

[illegible] integrators have [illegible] range of core systems [illegible] which [illegible] adapted to [illegible] customers' specific [illegible]. Where [illegible] is unsatisfactory, [illegible] system might be designed from scratch. "The [illegible] providing solutions, not just boxes," [illegible].

[illegible] the [illegible] integra[illegible] out [illegible] other [illegible]nies. Bar [illegible] Systems, [illegible] Numeric Arts, and Alpha-Numeric Systems, for example, [illegible] specialise in bar [illegible] products, supplying high-quality [illegible] – [illegible] original [illegible] which a bar code [illegible] printed – [illegible] bar [illegible] printing equipment.

All have [illegible] systems integration [illegible] of their business expand significantly in [illegible] expect [illegible] still [illegible] important [illegible] 1990s.

A sign of [illegible] increasing importance of systems integrators in the world of auto ID is [illegible] they have been [illegible] at Scan-Tech, [illegible] industry [illegible] fair, [illegible] traditionally [illegible].

"[illegible] will [illegible] significant upturn [illegible]sity for this kind [illegible] work," [illegible] Smith, [illegible] of BPCC [illegible] Arts.

The [illegible] trade, [illegible] in introducing [illegible] ID systems [illegible] technology [illegible] understood, [illegible] now [illegible] very [illegible] are showing interest, [illegible] knowledgeable and demanding [illegible] their prede[illegible].

Hardware manufacturers [illegible] their own systems integration services, although most do not have the [illegible] and [illegible] systems integrators as out[illegible] for their products. Some [illegible] the software houses, however, are already moving into systems integration.

[illegible] the leading computer manufacturers already provide systems integration services. Gary Lowrey, marketing manager of [illegible] systems integration division [illegible] ICL, [illegible] company can design systems incorporating [illegible] ID on an individual project basis [illegible] meet customers' specific needs, using products from other manufacturers where [illegible].

The whole process of systems integration [illegible] becom[illegible] thanks [illegible] move [illegible] ID manufacturers towards industry standard [illegible] systems.

Previously, manufacturers tended to develop devices with [illegible] proprietory programming techniques and operating systems. Now, [illegible] capture [illegible] as bar code [illegible] magnetic strip readers [illegible] started [illegible] use industry [illegible]dard operating systems such as Dos, that used in most [illegible].

The [illegible] of industry [illegible] operating systems allows programming in standard languages, making auto ID easier to introduce and use - and also to re-sell. It [illegible] purchasers becoming locked into [illegible] relationship with one particular maufacturer.

On the [illegible] practical level improvements in [illegible] communications, and especially the likely growth in spread-spectrum [illegible] frequency communication, mean that the [illegible] of fully-integrated systems is not [illegible] away.

The use of industry standard operating systems allows programming in standard languages, making auto ID easier to introduce and use

Using RF communication, any number of data capture devices, PCs, and workstation terminals could [illegible] linked to a central [illegible] system [illegible] no need for [illegible].

Such integrated systems would offer great flexibility. Companies wishing [illegible] change [illegible] lay-out in office or factory [illegible] easily without having [illegible] rip [illegible] of wiring.

COMMODITIES AND AGRICULTURE

Opec ministers close to agreement on output rise

By Deborah Hargreaves in [illegible]

MINISTERS FROM the Organisation [illegible] Petroleum Exporting Countries [illegible] last night [illegible] to agreeing an [illegible] in fourth quarter oil production to between [illegible] and 24m barrels a day in a meeting that could [illegible] today.

Mr Hisham Nazer, Saudi Arabia's oil minister [illegible] Mr Gholamreza Aqazadeh, his Iranian counterpart after yesterday's meeting to [illegible] of the [illegible] output. The kingdom is looking [illegible] for itself a production level of [illegible] b/d.

Mr [illegible] emphatically stated that [illegible] Arabia would produce at that level, putting him into conflict with other smaller producers [illegible] ally [illegible] the kingdom to [illegible] back [illegible] quota [illegible] 5.4m b/d.

[illegible] Arabia [illegible] likely to resist any cutback in [illegible] output [illegible] to accommodate the return of Iraq and Kuwait [illegible] market next year.

"I wouldn't be surprised [illegible] we [illegible] up [illegible] production for [illegible] quarter," Mr Jibril Aminu, Nigeria's oil [illegible] said. But Mr Aminu said [illegible] unsure how a rise in output would be managed [illegible] Iraqi oil could be returning to the market.

Iraq indicated [illegible] Monday that, if it accepts the plan put forward by the United Nations to sell $1.6bn-worth [illegible] it will be looking to pump [illegible] much as possible in a short time rather than spreading exports out over six months. This [illegible] see a return [illegible] 1m b/d of Iraqi oil [illegible] the export [illegible] in [illegible] fourth quarter, which would absorb much of an expected rise in demand.

However, the agreed production ceiling [illegible] largely irrelevant since [illegible] countries [illegible] producing [illegible] capacity and [illegible] likely [illegible] to do so. Opec output [illegible] running [illegible] b/d – well [illegible] b/d ceiling which [illegible] the [illegible].

One Opec delegate said that the ceiling would be fixed in the interests of long-term discipline within the organisation, "we don't want to signal a free-for-all."

A meeting of delegates decided on Monday that the [illegible] on Opec [illegible] in [illegible] fourth quarter – including [illegible] producers' [illegible] – [illegible] 23.9m b/d, paving [illegible] way for [illegible] rise [illegible] ceiling. But [illegible] producers such [illegible] Algeria and Libya [illegible] keep output at [illegible] current level to give [illegible] prices.

Saudi Arabia [illegible] market needs higher output now. "There will be no spare capacity in the market in the first quarter of next year for the first time since the early 1970s," one official said. He forecast the call on Opec oil in the first quarter at more than 25m b/d. That would allow no slack in the market to cover unforseen eventualities.

Many delegates believe there will be a return of the Opec production quota system next year to make room in the market for Kuwaiti and Iraqi oil. But Saudi Arabia is pushing for production to be distributed by a totally different mechanism. This will link output much [illegible] closely to production capacity than previously. "Saudi Arabia will not produce less than 8m to 10.5m b/d for the next five years," one official said.

● UK North Sea oil production growth [illegible] last month as a result of the Fulmar field [illegible] but the underlying upward trend [illegible]ed strong, [illegible] Royal Bank [illegible]. Output [illegible] by 187,000 b/d to [illegible] b/d.

Progress claimed at EC farm council

By David Gardner in [illegible]

EUROPEAN COMMUNITY agriculture ministers and the European Commission both claimed last night that significant progress had been made in [illegible] on [illegible] of [illegible] creaking Common Agricultural Policy.

Mr Piet Bukman, the Dutch president [illegible] the Council of Ministers, said [illegible] two-day meeting [illegible] was now "unanimity that fundamental reform [illegible] necessary." Mr Ray MacSharry, the EC agriculture commissioner, said: "The [illegible] thrust [illegible] the commission's approach [illegible] accepted, and now we have [illegible] about [illegible] detail".

[illegible] Irish commissioner [illegible] further [illegible] claim that the Council was already in [illegible] position to [illegible] of [illegible] proposals, such [illegible] sheepmeat, early retire[illegible] for farmers, environmental [illegible]tion. Mr Bukman broadly concurred.

However, [illegible] Mr MacSharry [illegible] "a realistic approach to [illegible]" [illegible] not prevent [illegible] from presenting national shopping [illegible] concessions they expect in exchange for going along – [illegible] moment – with the [illegible] plan.

The UK, for example, [illegible] regards the limit [illegible]tion [illegible] sheep [illegible] as discriminatory, [illegible] 14 per [illegible] of British [illegible] the threshold [illegible] which premi[illegible] cease, [illegible] 3 [illegible] the EC. Mr John Gummer, [illegible] UK agriculture minister, [illegible] member [illegible] able [illegible] how their farmers [illegible] of production, within compulsory national quotas [illegible] by [illegible]. Under the commission's plan, he and his French colleague Mr [illegible] Mermaz, maintain, it [illegible] farmers with economies of [illegible] who will [illegible] hit by "set [illegible]" provisions, [illegible] in a way which makes them almost mandatory.

Several ministers, led by Mr Mermaz, argued that the cuts planned for cereals, of 35 per cent over three years, went too far too fast. Mr MacSharry emphasised that there [illegible] be full compensation for [illegible] price reductions, and that ministers were only emphasising the cuts.

The [illegible] with the [illegible] releasing a new study on the effects of the reform, by the University of Bonn. Though less optimistic than previous Brussels estimates, the study shows that real net value added to farming [illegible] be [illegible] per [illegible] higher with the planned reform than without it.

Swift US action urged on Soviet aid

By Nancy Dunne in Washington

LEGISLATION introduced in the US House of Representatives by [illegible] key member of the House Agriculture Committee would provide immediate food assistance [illegible] the Soviet Union and [illegible] republics and long term technical assistance from US farmers and agribusiness companies.

Mr Tom Coleman, the high[illegible] ranking Republican on the committee, yesterday warned that "empty stomachs make for desperate people who may embrace any despot who can promise them food".

He and other members urged that the [illegible] Department of Agriculture should [illegible] action [illegible] expedite a carefully targeted flow [illegible] aid to [illegible] Union. Some suggested the that USDA or other US government employees should [illegible] stationed on the ground in the Soviet republics to super[illegible] the flow [illegible] aid.

Mr Coleman's Support For Emerging Democracies Act of [illegible] would use as a vehicle for the assistance the Food for Progress programme. This is a [illegible] authorises the US agriculture secretary to provide overseas [illegible] from US surplus stocks or to purchase commodities on the open market without getting budgetary authorisation from Congress.

The Act would remove for the 1992 fiscal year the $30m ceiling on the funds available to pay the programme's costs. It lifts for one year the ceiling of 500,000 tonnes of commodities for use in the programme, and it would temporarily suspend the "credit-worthiness" test the USDA is required to use before granting export guarantees.

Mr Chris Goldthwait, a USDA official who recently returned from the Soviet Union, said there was no imminent danger of widespread [illegible]ine. However, republics at the end of the food distribution chain are vulnerable.

The USDA is developing a food assistance plan, which is likely to cover the supply of grain rather than processed commodities.

Congressman Timothy Penny, another agriculture committee member, released a telex received from Mr Alexander Krivenko, president of the Soviet trading company, Prodintorg, which requested supplies of meat, poultry, dairy products, fats and oils, baby foods and tallow

He urged President Bush to make the US food credit guarantee programme more attractive to commercial banks.

Washington keeps traders guessing

Finance problems are clogging the pipepline, writes Barbara Durr

FOR THE grain trade, deciphering Washington's signals [illegible] agricultural aid to the Soviet Union has lately [illegible] difficult than usual. Despite increasingly urgent pleas for ever larger amounts of aid Washington is still wrestling with how to respond.

The problem lies mainly in the reluctance [illegible] commercial banks [illegible] finance [illegible] Soviet purchases despite [illegible] Department of Agriculture [illegible] guarantees for 98 [illegible] cent of the principle and 4.5 per [illegible] of the [illegible] interest. The [illegible] has simply not [illegible] bankers' fears [illegible] the [illegible] government's credit-worthiness.

The banks have thus frustrated [illegible] administration's August [illegible] of an [illegible] in credit guarantees. [illegible] far, only [illegible] has been used, according [illegible] USDA.

Yet, [illegible] political [illegible] unclogging [illegible] pipeline [illegible] exist. [illegible] top USDA offi[illegible]: "Obviously, there's a problem. [illegible] are trying to find [illegible] solution".

The first, though not [illegible]sarily [illegible] most likely, option under consideration is to soften [illegible] of [illegible] for commercial banks. The USDA has authorisation to [illegible]tee up to 100 per cent of the principle and [illegible] equivalent [illegible] that payable [illegible] 52-week Treasury bills, [illegible] present [illegible] per cent.

Banks [illegible] been [illegible] about [illegible] they [illegible] incur [illegible] the [illegible] credits. A [illegible] of as much [illegible] 5.57 per [illegible] could be persuasive for so[illegible]. The additional sweetener of cover [illegible] the principle could lure [illegible].

The [illegible] problems for [illegible] however, by changing [illegible] credit [illegible] Soviets. These could [illegible] the [illegible] in a long [illegible] of [illegible] guarantees [illegible] lets [illegible] banks off the hook for virtually all risk may not be considered the best course [illegible] action. Other [illegible] could demand [illegible] terms, further undermining [illegible] risk [illegible] on which the guar[illegible] built.

The administration's [illegible] main option is [illegible] direct government credits. These have not been offered by the USDA since 1984, officials [illegible], but given the potential [illegible]tives associated with softening the terms for the banks, they could be seen as [illegible] less unattractive choice.

Moreover, according to those in Congress with their eye on the US budget, direct credits would cost the US government only [illegible] more [illegible] guarantees. Various pro[illegible] of humanitarian or concessionary food [illegible] being con[illegible]d, though the restrictions [illegible] limit [illegible] potential [illegible], given the massive [illegible] of Soviet needs.

The [illegible] concessionary [illegible] programme, [illegible] example, has an annual b[illegible] of only $1.5bn and [illegible] traditionally [illegible] used for developing countries. While it [illegible] role [illegible] in [illegible] food supply effort, the programme is too small [illegible] suitable for the Soviet Union and expanding it would run up against US budgetary limits on foreign aid.

Thus, under PL480's current restrictions, Congress [illegible] unlikely to countenance taking food from people in such [illegible] desperate [illegible] as [illegible] Ethiopians.

The Bush administration is expected to make a decision within the next week or so on how to expedite its agricultural credits for the Soviets. Included in the package will be the remaining $199m of the $315m made available last month and the $585m that was pledged for the period between October and February, during the new US fiscal year that starts October 1.

These [illegible] amounts [illegible] originally part of a US pledge earlier this year of $900m worth of credits for 1992. These were to be available in two tranches, $500m in October and $400m in February. But, after the failure of the Soviet coup, Mr Bush accelerated $315m worth of the package. The US had already extended $1.6bn worth of credit guarantees during the US fiscal year of 1991.

Whether the US will offer additional credits is unclear, though members of Congress and the grain producers lobbies are urging the administration to do so. Members of Congress have talked about another $1bn, while the North American Export Grain Association has asked for not less than $2bn and the US Feed Grains Council has suggested that allocations for the Soviets and former Soviet republics should be approximately $3bn.

But in Chicago's grain market there is little talk of fresh credits and much scepticism about the Soviet need for and ability to absorb the vast quantities of food they have recently estimated they will require.

Mr Steven Bruce, a grain analyst with Geldermann, said that without clear signals from Washington the market has been and will continue to be quiet. "We believe it's going to be a go-slow programme with the Soviets," he said.

Australian commodity receipts forecast to fall by 2 per cent

By Kevin Brown in Sydney

THE VALUE of Australia's commodity exports will fall by 2 per cent this year to A$40.8bn (£19bn), the Australian Bureau of Agricultural and Resource Economics (Abare) said in its latest quarterly report yesterday.

The forecast contrasts with average growth rates of 13 per cent in the past four years. It would be the first fall in the value of commodity exports since 1980-81.

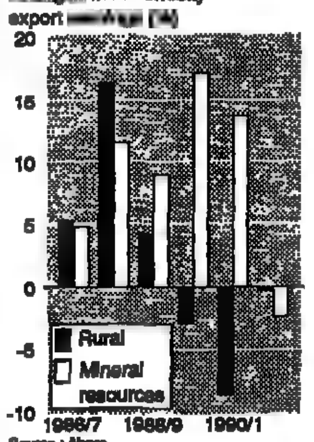
Mr Brian Fisher, Abare's executive director, said an increase in the volume of farm exports was expected [illegible] maintain their value at [illegible] A$14.1bn in spite of falling world prices.

Falls in the export earnings of sugar, whe[illegible], [illegible], dairy products and [illegible] offset by rises in earnings for cotton, wool, grapes and wine, Mr Fisher said.

[illegible], net farm [illegible] incomes, [illegible] take input prices into account, are forecast to fall by 24 per cent, following a 35 per cent fall in the last financial year. The [illegible] value [illegible] farm production, which includes depreciation costs, is forecast to fall by 74 per cent, following a drop of similar magnitude last year.

Australia

[illegible] in commodity export [illegible] (%)



Source: Abare

The falls in farm income will worsen the recession which has hit Australia's rural communities in the last two years, mostly as a result of weak world prices for a wide range of farm products. Abare said average prices received by farmers were expected to fall by 5 per cent this year, following a decline of 13 per cent last year.

Mineral exports are expected to fall by 2 per cent to A$26.8bn, largely because of a 7 per cent cut in the value of energy exports to A$9.3bn, following a 26 per cent increase in 1990-91.

Abare [illegible] oil earnings would fall [illegible] per [illegible] A$1.1bn because [illegible] lower prices and volumes, while earnings from liquefied petroleum gas and other petroleum products would also fall because of weaker prices. This will more than offset the moderate growth expected in earnings from liquefied natural gas and coal exports, largely reflecting increased volumes, Abare said.

The value of other mineral exports is forecast to grow by 1 per cent to A$17.4bn. However, while the value of iron ore and nickel [illegible] is [illegible] to grow strongly, gold exports are forecast to grow only [illegible] in val[illegible] and alumina (aluminium [illegible]), aluminium, zinc and copper exports are all forecast to fall.

Abare also said its index of mine production [illegible] to grow by 1 per cent this year, following a 2 per cent increase last year. The slowdown contrasts strongly with the rapid growth of the late 1980s.

MINOR METALS PRICES

Prices from Metal Bulletin [illegible] week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, [illegible] (same).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 2.80-3.20 (same).

CADMIUM: European [illegible] market, min. [illegible] per cent, $ per lb, in warehouse, [illegible] (2.20-2.55).

COBALT: European [illegible] market, 99.5 per cent, $ per lb, in warehouse, 14.70-15.20 (14.50-15.00).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 70-90 (75-95).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb [illegible], in warehouse, 2.27-2.31 ([illegible]-2.31).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.80-5.40.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 59-67 (same).

VANADIUM: European [illegible] min. 98 per cent, $ a lb V_2O_5, cif, 2.20-2.35 (2.15-2.35).

URANIUM: Nuexco exchange value, $ per lb, U_3O_8, 8.75 [illegible].

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	+15,425	to 687,450
Copper	-2,450	to 309,625
Lead	+1,875	[illegible]
Nickel	[illegible]	[illegible]
Zinc	[illegible]	[illegible]
Tin	[illegible]	to [illegible]

[illegible] sugar surplus forecast

WORLD SUGAR production is likely to exceed consumption [illegible] tonnes in 1991-92 (October-September) after a surplus [illegible] 2.58m in the previous [illegible], the International Sugar Organisation secretariat said, reports Reuters.

The secretariat put production [illegible] 113.25m tonnes, little changed from the 1990-91 total of 113.14m. But consumption was estimated at 112.42m, up from 110.56m.

WORLD COMMODITIES PRICES

MARKET REPORT

[illegible] rose [illegible] a troy [illegible] on [illegible] bullion [illegible] yesterday, although [illegible] capped by talk [illegible] producer selling [illegible] in thin volume. [illegible] closed at 423.50 cents an ounce, just bel[illegible] its fi[illegible] at 424.50, but still 11.5 cents [illegible] Monday. This was below its high of 428 cents as profit-taking quickly emerged [illegible] bout [illegible] fund buying on Comex. [illegible] LME aluminium [illegible] in [illegible] trading in a technical co[illegible] an oversold market after persistent downward pressure. Prices initially [illegible] further on news that LME stocks of the metal rose [illegible] 15,425 [illegible] a [illegible] 687,450 [illegible]. [illegible] again, by [illegible] to 9,810 tonnes, [illegible] highest [illegible] December [illegible] prices moved [illegible] $7,500-a-tonne level. Coffee [illegible] cl[illegible] ahead in London and were [illegible] in [illegible] York [illegible] midday [illegible] forecasts of continued dry weather in Brazil's growing areas for the [illegible] days. Mounting political [illegible] in [illegible] and [illegible] shipments [illegible] be disrupted [illegible] helped [illegible] support the London mar[illegible] a coffee retention plan presented at the International Coffee Organisation was muted.

Compiled from [illegible]

London Markets

SPOT MARKETS

[illegible] (per [illegible] FOB)		+ or -
Dubai	[illegible]	+.225
[illegible] (dated)	[illegible]	[illegible]
[illegible] (Nov)	[illegible]	+.075
W.T.I. (1 [illegible])	$22.15-2.20z	[illegible]
Oil products (NWE prompt delivery per tonne CIF)		+ or -
[illegible]	$243-245	-1
Gas Oil	$198-199	
Heavy Fuel Oil	$72-74	
Naphtha	$207-209	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	[illegible]	[illegible]
Silver (per troy oz)♣	423.5c	+10.5
Platinum (per troy oz)	$358.75	+3.75
Palladium (per troy oz)	[illegible]	+1.15
Copper (US Producer)	114.0c	
Lead (US Producer)	38.0c	+1.0
Tin (Kuala Lumpur [illegible])	[illegible]	-1.01
Tin ([illegible] York)	256.5c	
Zinc (US Prime [illegible])	62.0c	
[illegible] (live [illegible])	[illegible]	[illegible]
[illegible] (dead [illegible])	102.51p	-3.01*
Pigs (live weight)†	75.60p	+2.76*
London daily sugar (raw)	$234.0]	-1.5
London daily sugar (white)	$268.5]	-1.5
[illegible] and Lyle [illegible]	[illegible]	-0.5
[illegible] (English [illegible])	[illegible]	
Maize (US No. 3 [illegible])	£141.0u	
Wheat (US Dark Northern)	£97.0	
[illegible] (Nov)♥	51.75p	
Rubber (Dec)♥	52.25p	
[illegible] (KL [illegible])	221.5m	
Coconut [illegible] (Philippines)§	[illegible]	
Palm Oil (Malaysian)§	$325.0q	
Copra (Philippines)§	[illegible]	
Soyabeans (US)	£156.5	-1.5
[illegible] "A" index	[illegible]	[illegible]
[illegible] (64s [illegible])	357p	

£ a tonne unless other[illegible] p-pence/kg. c-cents/lb. r-ringgit/kg. q-Oct/Dec [illegible] u-Oct x-Sep y-Aug/Sep z-Nov [illegible]ov. †Meat Commission average fatstock p[illegible] * change [illegible] a [illegible] ago. ♥London physical [illegible] Rotterdam. ♣ Bullion market close. m-Malaysian [illegible]

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low	
[illegible]	[illegible]	204.00	214.00	199.60
[illegible]	[illegible]	190.00	[illegible]	186.00
[illegible]	[illegible]	191.00	[illegible]	[illegible]
[illegible]	[illegible]	190.00	196.40	[illegible]
[illegible]	199.40		190.00	
[illegible]	200.00		194.00	

White	[illegible]	Previous	High/Low	
Dec	[illegible]	284.0	289.0	283.3
Mar	[illegible]	[illegible]	292.5	283.8
May	287.5	283.0	289.0	280.6
Aug	288.0		289.5	281.0
Oct	[illegible]		262.0	
Dec	[illegible]		260.0	

Turnover: Raw 1945 (380) lots of 50 tonnes. White 2131 (270)
Paris- White (FFr [illegible] tonne): Dec [illegible], Mar [illegible]

CRUDE OIL – IPE $/barrel

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	[illegible]	[illegible]	20.49
Dec	[illegible]	[illegible]	[illegible]	20.40
Jan	[illegible]	20.34	20.57	20.25
Feb	20.30	20.06	20.30	20.16
Mar	20.11		20.11	20.02
Apr	19.88		19.88	
Jun	[illegible]	19.65	19.66	
IPE Index	20.60	[illegible]	20.60	

T[illegible] 14403 (22968)

GAS OIL – [illegible] $/tonne

	Close	Previous	High/Low	
Oct	199.25	199.25	199.50	198.00
Nov	[illegible]	201.50	201.75	200.25
Dec	202.50	202.25	202.75	201.00
Jan	200.00	199.50	200.00	199.00
Feb	194.50	194.50	194.50	
Mar	188.50	187.50	188.50	187.00
Apr	182.25	181.00	183.50	182.25
May	178.00	178.00	178.00	
Jun	178.00	178.00	178.00	

Turnover 5318 (6900) lots of 100 tonnes

COTTON
Liverpool-Spot and shipment sales for the week ending 20 September amounted to 1014 tonnes, against 1030 in the previous week. Trading was good, with sales mainly occurring in Paraguan, African, West American and Russian growths.

JUTE
October/November: c and f Dundee; BTC $425, BWC $425, BTD $390, BWD $385, c and f Antwerp; BTC $400, BWC $395, BTD $375, BWD $370.

COCOA – London FOX [illegible]

	[illegible]	Previous	High/Low	
[illegible]	706	717	717	[illegible]
[illegible]	737	746	[illegible]	731
[illegible]	[illegible]	782	782	[illegible]
May	794	801	[illegible]	780
Jul	816		[illegible]	810
[illegible]	836	841	835	830
[illegible]	856	864	855	853

Turnover: 5716 (4328) lots of 10 tonnes
[illegible] Indicator prices (SDRs per [illegible]). Daily price for Sep 23 946.68 [illegible] 10 [illegible] average for Sep 24 948.73 (949.37)

COFFEE – [illegible] FOX [illegible]

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	501	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	535	520
Jan	559	548	[illegible]	
Mar	574	563	[illegible]	

Turnover: 1882 (2901) lots of 5 tonnes
ICO indicator prices (US cents per pound) [illegible] 23 : Comp. daily [illegible] (66.95) 15 [illegible] average [illegible] 67.36 (67.36)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low	
Mar	[illegible]		130.0	
Apr	122.5	126.0	[illegible]	122.0

Turnover [illegible] (149) [illegible] tonnes.

SOYAMEAL – London FOX [illegible]

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	137.00	136.50	

Turnover 20 (15) [illegible] 20 [illegible]

FREIGHT – London FOX [illegible] point

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	1540	[illegible]	[illegible]
Oct	[illegible]	1665	1650	[illegible]
Jan	1698	1708	1700	1695
Apr	1697	1706	1700	1690
BFI	1523	1532		

Turnover [illegible]

GRAINS – London FOX [illegible]

Wheat	[illegible]	Previous	High/Low	
Nov	[illegible]	118.10	118.60	118.10
Jan	[illegible]	121.50	122.00	121.50
Mar	[illegible]	124.50	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	127.30

Barley	Close	Previous	High/Low	
Nov	114.05	114.25	114.30	114.00
Jan	117.75	117.90	[illegible]	117.70

Turnover: Wheat 374 (635), Barley 51 (94).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Sep	91.0		91.0
Oct	105.5	105.5	105.0
Nov	108.0	109.0	107.5
Mar	109.5		109.0

Turnover:75 (20) lots of 3,250 kg

[illegible] – London FOX

	Close	Prev.	High	Low	Vol
Indx	134.76	135.41	134.76		
Oct	135.40	136.10	135.40	135.20	75
Nov	135.70	136.50	135.70	135.50	105
Dec	135.90	136.30	135.90	135.60	80
Mar	136.50	136.90	136.50	136.50	30

LONDON METAL EXCHANGE (Prices supplied by [illegible] Metal Trading)

	[illegible]	[illegible]	High/Low	[illegible]	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover [illegible] lots	
Cash	1168-9	1176-8	1168	1168-9		
3 months	[illegible]	1206-7	[illegible]	[illegible]	1214-5	[illegible]
Copper, Grade A ([illegible] tonne)					Total [illegible] turnover [illegible]	
Cash	1322-3	[illegible]	[illegible]	[illegible]		
3 months	[illegible]	1337-7.5	[illegible]	[illegible]	1327-8	[illegible] lots
[illegible] ([illegible] per tonne)					Total daily turnover 1,294 lots	
Cash	307-8	308-9	[illegible]	[illegible]		
3 months	[illegible]	318-8.5	319/317	318-8.25	317.5-8	[illegible] lots
[illegible] ($ per tonne)					Total daily [illegible]	
Cash	7500-10	7430-40	7500	7488-500		
3 months	7525-30	7475-80	7575/7500	7530-40	7530-60	18,790 [illegible]
Tin ($ per tonne)					Total daily turnover 991 lots	
Cash	5530-5	5535-40	[illegible]	[illegible]		
3 months	[illegible]	5605-10	5605/5600	[illegible]	5600-5	[illegible]
Zinc, Special High Grade ($ per tonne)					Total daily turnover 7,358 lots	
Cash	1010-2	1017-8	1007.5	1007.5-8		
3 months	[illegible]	1036.5-7	[illegible]	[illegible]	1038-4	29,104 [illegible]

LME Closing £/$ rate:
SPOT: 1.7441 3 [illegible] 6 [illegible] [illegible]

LONDON BULLION MARKET
([illegible] N.M.Rothschild)

Gold (fine [illegible])	$ price	£ equivalent
Close	351.60-352.10	
Opening	351.50-351.80	
Morning fix	351.25	202.193
Afternoon fix	351.90	202.009
Day's high	352.40-352.80	
[illegible]	[illegible]	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.19	6 [illegible]	[illegible]
2 [illegible]	[illegible]	12 [illegible]	[illegible]
3 [illegible]	5.10		

[illegible]	p/fine [illegible]	US [illegible] equiv
Spot	244.55	424.50
3 months	250.80	430.20
6 months	256.50	435.65
[illegible]	[illegible]	446.80

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	352.00-353.00	202.00-202.50
[illegible]	[illegible]	[illegible]
[illegible] Sovereign	86.00-87.00	[illegible]

TRADED OPTIONS

Coffee	[illegible]	[illegible]	[illegible]	[illegible]
500	6	66	21	7
550		33	65	[illegible]
[illegible]		[illegible]	[illegible]	56

Cocoa	Dec	[illegible]	Dec	[illegible]
725	41	82	30	[illegible]
750	[illegible]	[illegible]	45	[illegible]
[illegible]	22	[illegible]	51	57

Brent [illegible]	Nov	Dec	[illegible]	[illegible]
2000			14	14
2050	37	54		
2100	18	35		

[illegible] York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Sep	353.7	350.8	352.1	352.1
[illegible]	354.0	351.1	354.7	[illegible]
[illegible]	[illegible]	[illegible]	0	0
[illegible]	[illegible]	[illegible]	358.0	355.0
[illegible]	[illegible]	357.4	[illegible]	[illegible]
Apr	363.1	360.2	363.0	361.2
Jun	[illegible]	3363.2	365.3	364.4
Aug	[illegible]	366.3	0	0
[illegible]	372.3	369.4	0	0

PLATINUM 50 troy oz; $/troy oz.

	[illegible]	[illegible]	High/Low	
Oct	357.2	356.1	360.0	357.0
Jan	361.4	360.1	364.3	361.0
Apr	365.4	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	372.0	369.0
Oct	[illegible]	[illegible]	0	0

SILVER 5,000 troy oz; cents/troy [illegible]

	[illegible]	[illegible]	High/Low	
Sep	425.0	416.8	[illegible]	420.0
Oct	425.4	417.2	[illegible]	421.0
[illegible]	[illegible]	[illegible]	0	0
Dec	430.0	421.8	432.5	424.5
Jan	432.2	424.0	432.0	432.0
[illegible]	[illegible]	[illegible]	439.5	432.0
May	[illegible]	433.3	[illegible]	437.0
Jul	[illegible]	437.7	442.0	441.0
Sep	[illegible]	442.5	450.0	449.0
[illegible]	[illegible]	449.8	[illegible]	454.5

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Sep	107.40	110.25	108.55	106.90
Oct	[illegible]	107.75	107.40	105.70
Nov	[illegible]	106.35	105.60	105.00
[illegible]	104.35	105.10	104.80	103.60
[illegible]	[illegible]	103.85	103.10	103.00
Feb	102.85	103.30	0	0
Mar	102.10	102.50	102.25	101.10
Apr	101.55	101.90	0	0
May	101.00	101.30	0	0
[illegible]	[illegible]	100.85	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	[illegible]	[illegible]	High/Low	
Nov	22.22	22.07	[illegible]	21.91
Dec	[illegible]	21.92	22.15	21.80
Feb	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	21.26
Apr	21.40	21.18	21.28	21.12
May	21.26	21.03	21.25	21.01
Jul	[illegible]	20.84	20.90	20.82
Aug	20.77	20.79	20.80	20.80

HEATING OIL 42,000 US galls; [illegible] galls

	Latest	[illegible]	[illegible]	
Dec	[illegible]	[illegible]	6690	6526
Jan	6665	[illegible]	6690	6550
Mar	6235	6179	6235	6150
[illegible]	[illegible]	5934	5915	5860
[illegible]	[illegible]	[illegible]	5760	[illegible]
Jun	5640	5569	5640	5636
Jul	5605	5629	5605	5605

COCOA 10 tonnes;$/tonnes

	[illegible]	[illegible]	[illegible]	
Dec	[illegible]	1218	1206	[illegible]
Mar	[illegible]	1270	[illegible]	[illegible]
[illegible]	[illegible]	1301	[illegible]	1276
Jul	1311	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	0	0
[illegible]	[illegible]	[illegible]	1360	1360
Mar	[illegible]	1416	0	[illegible]
May	1429	1441	0	0
[illegible]	1454	1466	0	0

COFFEE "C" 37,[illegible]

	Close	Previous	High/Low	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	95.20	93.75
May	[illegible]	[illegible]	97.10	95.60
[illegible]	[illegible]	97.65	[illegible]	[illegible]
[illegible]	102.50	[illegible]	102.50	102.50
Dec	105.25	104.00	0	[illegible]

SUGAR WORLD "11" [illegible] lbs; cents/lbs

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	[illegible]	9.60	8.93
Mar	[illegible]	[illegible]	9.25	[illegible]
May	[illegible]	[illegible]	9.08	[illegible]
Jul	9.00	8.78		8.72
Oct	8.91	8.73	[illegible]	8.66

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Oct	63.59	64.08	64.30	63.58
Dec	[illegible]	65.96	66.25	65.50
Mar	67.11	[illegible]	[illegible]	67.08
May	67.80	[illegible]	[illegible]	67.80
Jul	68.36	68.55	68.70	68.35
Oct	66.85	67.25	[illegible]	66.85
Dec	66.25	[illegible]	66.46	66.10
Mar	67.50	[illegible]	0	0

ORANGE JUICE [illegible] lbs; [illegible]

	Close	[illegible]	High/Low	
[illegible]	[illegible]	122.65	[illegible]	[illegible]
Jan	120.60	122.55	125.10	120.60
Mar	121.60	122.95	125.40	121.50
May	122.70	124.00	124.50	122.50
Jul	[illegible]	[illegible]	124.00	[illegible]
[illegible]	122.70	124.00	0	0
Nov	122.70	124.00	125.00	125.00
Jan	122.70	124.00	0	[illegible]

INDICES

REUTERS (Base: September 18 1931 = 100)

Sep 24	Sep 23	mnth ago	yr ago
1636.1	1646.9	1669.8	1773.9

DOW JONES (Base: Dec. 31 1974 = 100)

	Sep 23	Sep 20	mnth ago	yr ago
Spot	117.96	117.82	119.04	129.95
[illegible]	[illegible]	124.41	121.96	131.54

Chicago

[illegible]BEANS [illegible] min; cents/60lb [illegible]

	Close	Previous	[illegible]	
Nov	[illegible]	592/0	596/6	589/2
Jan	[illegible]	603/0	606/0	600/4
[illegible]	[illegible]	[illegible]	[illegible]	611/0
May	620/4	620/4	625/4	618/4
Jul	626/2	626/0	630/0	623/4
Aug	621/4	623/0	626/4	621/4
Sep	602/0	601/0	607/0	601/0
Nov	593/4	594/4	597/0	592/4

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Oct	20.83	20.60	20.91	20.52
Dec	21.16	20.98	21.29	20.89
Jan	21.35	21.18	21.46	21.07
Mar	21.68	21.51	21.81	21.42
May	21.90	21.80	22.10	21.90
Jul	22.25	22.12	22.36	22.05
Aug	22.35	22.22	0	0
Sep	22.36	22.15	0	0
Oct	22.32	22.16	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Oct	190.6	190.7	192.3	189.5
Dec	187.9	188.2	189.8	186.8
Jan	186.1	186.0	188.0	185.5
Mar	184.2	184.8	186.3	184.0
May	181.7	182.2	183.5	181.5
Jul	181.3	181.5	182.9	181.0
Aug	179.7	181.0	179.7	179.7
Sep	179.0	180.0	181.5	177.0
Oct	190.0	0	191.1	190.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	248/4	248/6	250/4	248/2
Mar	256/4	256/6	258/2	256/2
May	261/2	261/4	263/2	261/0
Jul	264/0	264/0	265/4	263/6
Sep	254/6	254/2	256/0	254/4
Dec	251/4	251/4	252/6	251/2

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	326/4	326/6	328/4	324/6
Mar	329/4	329/4	331/4	328/4
May	322/6	324/2	326/0	322/4
Jul	307/0	307/2	309/2	305/4
Sep	313/4	313/6	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	74.25	73.40	74.55	74.12
Dec	76.75	76.12	77.10	76.62
Feb	74.32	74.12	74.70	74.36
Apr	75.05	74.62	75.40	75.00
Jun	72.57	72.50	72.95	72.57
Aug	70.72	70.70	71.15	70.72
Oct	71.60	71.75	71.75	71.60

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	46.07	45.97	46.50	45.80
Dec	45.55	45.57	46.00	45.35
Feb	44.72	44.60	45.10	44.50
Apr	42.55	42.55	42.80	42.35
Jun	46.80	46.75	46.95	46.70
Jul	46.95	46.85	46.95	46.80
Aug	45.40	45.30	45.45	45.30

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	47.70	47.85	48.55	47.10
Mar	47.55	47.67	48.55	47.07
May	48.72	49.10	49.60	48.25
Jul	48.90	49.60	49.55	48.30
Aug	46.90	47.67	47.86	46.90

هكذا من الأصل

LONDON STOCK EXCHANGE

Equity investors back off at the close

By Terry Byland, UK [illegible] Market Editor

Account Dealing Dates			
*First Dealings:	Sep 16	Sep 30	[illegible] 14
Option Declarations:	Sep 26	Oct 10	[illegible]
Last Dealings:	Sep 27	[illegible]	[illegible]
Account Day:	[illegible]	Oct 21	Nov 4

*New-time dealings may take place from 8.30 am two business days earlier.

ANOTHER poorly-traded [illegible] in UK equities saw share [illegible] turn [illegible] at the close when Wall Street was slipping towards its nearest testing level and London was waiting to see if this morning brings the threatened £300m rights issue from Asda, the food supermarket group.

Weakness in the US dollar and on Wall [illegible] which [illegible] within four Dow points of the [illegible] mark when London closed, unsettled the blue chip internationals. Consumer stocks remained dull, with breweries falling as last week's takeover speculation faded.

Once again, the significant [illegible] was the reduction in turnover compared with last week. Retail business totalled only £784m on Monday, after a week in which daily retail levels hovered around £1.5bn. Yesterday's Seaq trading total, [illegible] in both retail and intra market business, was 452.4m shares, compared with 349.7m on Monday.

Uncertainty over the timing of the next general election in the UK was enhanced by the [illegible] public opinion polls, which indicated that support is keenly balanced between the governing Conservative and opposition Labour parties. A new claim from Mr Norman Lamont, the UK chancellor of the exchequer, that the recession is over had little effect on a stock market still depressed by daily announcements of poor profits by leading British companies. Yesterday, it was the turn of the building and construction sector to test investors' nerves.

The market opened lower and drifted down by nearly [illegible] points on the Footsie scale. Shares steadied, perversely after Tarmac, the construction company, delivered the expectedly poor half-time statement, but let the market off the hook by not making a rights issue. Modest bear closing by traders unwilling to leave positions to run until the equity account closes at the end of the week replaced the early loss with a gain of similar proportions. Trading volume, however, remained unimpressive, with the institutions largely inactive.

The market soon lost enthusiasm again and share prices drifted downwards for the rest of the session. The final reading put the FT-SE Index at 2,576.6, a net fall on the day of 2.9 points. Equity share specialists expressed [illegible] regarding the equity market's current rating level.

Trading slackened off in the final hour as traders tried to guess whether Asda would make its rights issue today. There is little argument that the food retailer needs to raise funds. The debate is over what terms it would have to offer in the shadow of last week's dire warning from the boardroom of a "very significant deterioration" in profits this year.

Nor is Asda the only name put forward as a candidate for the next fund-raising. Tarmac's non-appearance in the rights issue list turned the attentions of market traders to other stocks in the much-battered building and construction sector.

Cellular telephone stocks, notably Vodafone, attracted interest following the bid in the US, effectively worth $2.45bn, for Metro Mobile CTS from Bell Atlantic. The bid for Metro's equity and debt reopened the question of valuation of cellular phone operations. Vodafone is now the pure cellular phone stock in London, with British Telecom participating via its Cellnet interests.

Late rise in Vodafone

NEWS FROM the US that Bell Atlantic, one of the seven Bell operating companies, had bid for Metro Mobile, the last big independent US cellular radio group, prompted a late surge of demand for shares in Vodafone, the UK cellular radio group recently demerged from Racal Electronics. Vodafone has been regarded as an early takeover target after being identified in the late 1980s by Cable and Wireless, which built a 2.8 per cent stake in Racal Electronics, triggering the Vodafone flotation.

Vodafone closed 7 higher at 375p, making the stock the second best performer in the FT-SE 100 index on the day. Turnover reached 4m shares.

Bell Atlantic is offering $1.65bn for Metro's equity but is also taking on $800m of debt, effectively valuing Metro at $2.45bn. Mr Patrick Wellington, telecoms analyst at County NatWest, said the Bell offer valued Metro at $313 per head of population covered by its cellular licence area. Vodafone, he said, is currently valued at $113 per head of population covered by its cellular licence.

The County analyst described Vodafone as "cheap and available", and said a Metro-style valuation implied 700p a share for Vodafone. County has a 400p a share medium-term target for Vodafone. The analyst added: "On fundamentals alone, a bid would add at least 100p to that figure."

Glaxo upset

Glaxo lost ground as the long-running debate within the medical profession over the safety of a class of drugs known as beta agonists flared again. Opposing viewpoints have been aired in the last few days at conferences in the US and Belgium.

The company's new asthma drug Serevent is one of seven available beta agonist asthma treatments. It is seen by analysts as one of Glaxo's most important potential moneyspinners for the 1990s.

A Canadian study published earlier this year appeared to show a correlation between the small number of deaths from asthma and the use of beta agonists. Some analysts argue that the increased risk only becomes significant at very high doses, an indication that those patients were already severely ill and at risk of dying. Health regulatory authorities in the US and UK are [illegible] re-examining the status of beta agonists. Glaxo shares fell [illegible] to 1362p in [illegible] trading.

Vickers unsettled

Vickers, the engineering group which owns Rolls-Royce Motors, slipped 3 [illegible] ahead of [illegible] interim figures. These are expected to show profits eroded to break-even from the [illegible] achieved in the same period last year, according to the most bearish engineering sector specialists. The market range is from break-even up to £15m.

It was announced yesterday that Rolls-Royce Motors is closing down for an extra two weeks at Christmas because of poor sales. Mr David Plaistow, Vickers' chairman, warned of the poor performance of this subsidiary in April this year.

Turnover in Asda, the troubled food supermarket group, was a brisk 7.3m as the shares fell 4½ to 59½p on the widespread belief that there will be a rights issue today.

Once again the withdrawal from the market of the US investment house which was actively bidding for [illegible] at the end of last week left the shares unsupported.

Tarmac's interim figures were [illegible] as expected, with profits savaged but no cash-call and a maintained interim payment. The shares ended a fraction ahead at 202p, albeit on heavy turnover of 6.1m. Mr David Taylor, building sector specialist at Robert Fleming, pencilled in a full-year target of £30m but cautioned: "It is hard to see the shares making progress."

Today brings a lull in the spate of figures from the sector but tomorrow sees announcements from Redland, Ibstock Johnsen and Travis Perkins. Also due to report is Barratt Developments, which analysts expect to reveal a loss of around £100m. There were suggestions in the market that Barratt is lining up a £100m rights issue priced at [illegible] a share. Barratt edged up to 48p.

An upbeat morning meeting at S.G. Warburg on Rothmans helped the often-volatile shares climb 27 to 1112p. Turnover was above [illegible]. The broker said underperformance in [illegible] there was now a buying opportunity.

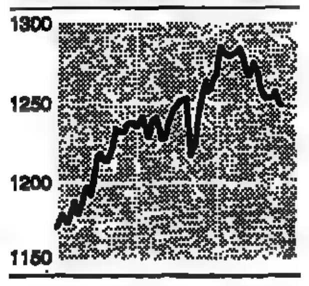
BAT Industries gained ground on [illegible] that the company's [illegible] subsidiary Eagle Star was about to announce job cuts amounting to about 10 per cent of the workforce. The [illegible] might also leave. The shares rose [illegible] ending at [illegible] for a net gain of 7 on good turnover.

BOC continued to benefit from James Capel's recommendation on Monday, climbing 6 to 579p.

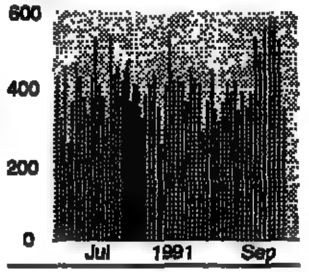
Lep Group's fall from grace gathered pace, the shares collapsing a further 16 to 20p. On Monday the stock tumbled from 87p to 36p after Lep warned that its interim profits would be close to £1.9m, that it would omit the interim dividend and that it was holding talks with its bankers.

Oil shares again failed to make any progress as the Opec meeting in Geneva got under way. Some analysts said the stance adopted by Saudia Arabia, to produce 8.5m barrels a day, "would keep the market truly well supplied", and should be construed as bearish for oil prices and oil shares. But others were more optimistic.

Mr Fergus MacLeod at County NatWest said that for the past month and for the first time since the Gulf crisis the oil price and oil sector have gone in opposite directions. The sector has underperformed by 3.5 per cent and the oil price has risen by 7 per cent, bringing the sector back towards buying levels. County said Shell was its preferred selection but that [illegible] BP looks ripe for a bounce ahead of the presentation on Thursday."



FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover

Aviva continued to advance, adding a penny at 15p to leave the stock up around 66 per cent in just over a week. The market is expecting good news from the company's latest well in Colombia, a "rank wildcat", or exploration well, called Miraflor.

The absence of another takeover attempt on Allied-Lyons in the wake of last week's bids tempted some short-term investors to sell. The shares [illegible] to 628p.

Beer [illegible] and spirits company Joseph Holt firmed 18 to a new high of 1993p in the wake of a 21 per cent rise in interim profits to £3.3m.

Bass eased 2 to 975p. Hoare Govett trimmed profits forecasts for the company but maintained its buy recommendation.

Boots was a good market on news that the advisory committee [illegible] US Food [illegible] Drug Administration would [illegible] the company's [illegible] drug Manoplax [illegible] approval on October [illegible] day sees the advisory committee also looking at Fisons' Tilade and the status of beta agonists, a type of asthma treatment.

Fired Earth Tiles appreciated 13 to 85p ahead of interims expected today.

Bid talk in the stores sector rumbled on. Sears was 6 ahead at one point and ended at 95p for a net gain of 2. Kingfisher, its supposed predator, [illegible] 444p.

Maxwell Communication Corporation and Mirror Group [illegible] in the wake of a television programme critical of Mr [illegible] Maxwell, who controls both companies. MCC was [illegible] down at one point before ending 8½ off at 163½p. Turnover reached 3.4m, highest since July. Traders also noted persistent buying of calls in the traditional options market. Mirror Group slipped [illegible].

A surprise [illegible] rights issue took some of the gloss off good interim figures from Meggitt Holdings, the engineering group. Meggitt shares settled a net 4 lower at [illegible] after an initial [illegible] to 95p.

The recent gloom surrounding British Aerospace, triggered by the profits slide and rights issue, [illegible] and the shares rallied 5 to 425p.

Brent Chemicals fell [illegible] to 158p on interim results in spite of a confident statement from the management.

Laporte continued to benefit from its recent encouraging trading [illegible] even though some securities houses are beginning to see the stock as overvalued. The shares gained 9 to 600p.

Commercial property [illegible] Dwyer receded 10 to 125p after the company said it would pass the dividend on its preference shares.

MARKET REPORTERS:
Daniel Green, Peter John,
Jim McCallum,
Steve Thompson.

■ Other market statistics, including the FT-Actuaries Share Indices and London Traded Options, Page 24.

NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (90).
BRITISH FUNDS (3) Tr 2pc I-L 1992, Tr 2pc I-L 1994, Tr 2pc I-L 1996, **AMERICANS** (1) Morgan (J.P.), **BANKS** (3) Schroders, Do. N/V, Secure Tst., **BREWERS** (5) Mansfield Brewery, Marston Thompson, Wolv. & Dudley, Young Brewery A, Do. N/V, **BUILDINGS** (2) Polypipe, Tay Homes, **CHEMICALS** (3) Blagden Inds., Halstead (J), Joyes, **STORES** (6) Stacks Leisure, Kingfisher 8½pc Ln 2000, Liberty N-Vtg., Martin (A), Pepe, Sears, **ELECTRICALS** (6) ACT, Domino Print Sciences, Druck, Macro 4, Real Time Control, Renishaw, **ELECTRICITY** (2) National Power, PowerGen, **ENGINEERING** (4) Metalrax, TACE, Victaulic, Wood (S.W.), **FOODS** (5) BSN, Borthwicks, Everest Foods, JLI, Wardell Roberts, **INDUSTRIALS** (15) Assoc. Brit. Ports, B.H. Prop., Beapak, Bodycote, Charter Cons., Dobson Park, Dolphin Pack., ECC, Faber Prest, Johnson Cleaners, Macfarlane (Clansman), Mayborn, Reliance Security, Silentnight, Warner Howard, **INSURANCE** (5) Britannic, Domestic & Gen., Heath (C.E.), Lloyd Thompson, Oriel, **LEISURE** (3) Central ITV, Capital Radio, Eurocamp, **MOTORS** (1) Sanderson Murray Elder, **NEWSPAPERS** (2) Adscene, News Int. Spec. Div., [illegible] Abbott Mead Vickers, Olives, **PROPERTY** [illegible] Mucklow (A & J), Slough Ests. [illegible] PL. **TEXTILES** (3) Caldwell Invs., Leeds, Toray, **TOBACCOS** (1) BAT Inds. 12¼pc Ln. 2003/08, **TRANSPORT** (1) Eurotunnel Units, **TRUSTS** (8) Aberforth Split Level Cap., Do. Units, Japan OTC Fd., Do. Warrants, Japanese Warrant Fd., Do. Warrants, Mercury Asset Mgmt., New Frontiers Dev., **OILS** (1) Global Natural Res., **MINES** (2) Antofagasta, Mount Burgess.

NEW LOWS (21).
CANADIANS (1) ECO, **BANKS** (1) Reflex, **BUILDINGS** (2) Costain, Mowlem (J), **CHEMICALS** (1) Montedison, **STORES** (1) Oliver, **ELECTRICALS** (3) Automated Security, Norsk Data A, Pegasus, **FOODS** (1) Ashley, **INDUSTRIALS** (3) Baris, Grovewood, Huntingdon, **NEWSPAPERS** (1) Mirror Group, **PAPERS** (1) Repola, **TRANSPORT** (1) Lep, **TRUSTS** (2) CST Emerging Asia Warrants, Kleinwort Dev. Fd., **OILS** (2) Cairn Energy, Ultramar, **MINES** (1) Sons Gwalia.

FINANCIAL TIMES STOCK INDICES

	Sept 24	Sept 23	Sept 20	Sept 19	Sept 18	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	87.52	87.52	87.72	[illegible]	[illegible]	[illegible]	[illegible] (18/9)	82.17 (2/1)	127.4 [illegible]	[illegible]
Fixed Interest	[illegible]	[illegible]	96.79	[illegible]	96.99	86.67	97.13 [illegible]	90.59 (2/1)	[illegible] (28/11/47)	50.53 (3/1/75)
Ordinary [illegible]	2009.4	[illegible]	[illegible]	2011.3	2007.1	[illegible]	2108.3 [illegible]	[illegible] (16/1)	2108.3 [illegible]	[illegible]
[illegible]	161.3	159.1	159.2	[illegible]	[illegible]	[illegible]	222.8 (11/7)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	[illegible]	[illegible]	[illegible]	2588.7	[illegible]	[illegible]	[illegible] (2/9)	2054.8 (16/1)	2679.6 (2/9/91)	[illegible]
FT-SE Eurotrack 200	[illegible]	[illegible]	1174.90	1171.[illegible]	[illegible]	-	1198.60 (3/9)	938.62 (16/1)	1198.60 (3/9/91)	938.62 (16/1/91)
●Ord. Div. Yield	4.71	4.69	4.65	4.74	4.76	6.22				
●Earning Yld %(full)	7.54	7.53	7.47	7.60	7.67	13.04				
●P/E Ratio(Net)(☆)	[illegible]	[illegible]	[illegible]	16.42	[illegible]	9.29				
SEAQ Bargns 4.45pm	27,314	27,812	30,306	29,209	27,578	19,022				
Equity Turnover(£m)†	-	783.99	1,351.86	1,446.91	1,545.50	645.70				
Equity Bargains†	-	[illegible]	31,240	28,753	[illegible]	18,449				
Shares Traded (ml)†	-	[illegible]	[illegible]	[illegible]	[illegible]	325.8				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 15.71

Ordinary Share Index, Hourly changes Day's High 2017.2 Day's [illegible]

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2007.8	2011.0	2012.5	2015.5	2014.9	2013.7	2013.3	2013.5	2009.8

FT-SE 100, Hourly changes Day's High 2586.2 Day's Low 2572.6

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2573.7	2577.6	2580.2	2584.7	2583.4	2582.7	2582.2	2582.2	2577.3

FT-SE Eurotrack [illegible] Hourly [illegible] Day's High 1171.56 Day's Low 1167.43

Open	10 am	11 am	12 [illegible]	1 pm	2 pm	3 pm
[illegible]	1168.42	1169.41	[illegible]	1171.55	1169.99	1169.95

GILT EDGED ACTIVITY

Indices*	Sept 23	Sept 20
Gilt Edged Bar[illegible]	[illegible]	74.4
5 – Day [illegible]	[illegible]	77.0

*SE Activity 1974.
†Excluding intra-market business & [illegible] turnover.

London report and [illegible] Share [illegible]
Tel. 0898 [illegible]

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	663	485	-3	Cookson	394	128	+1	Lucas	1,100	148	-3	Severn Trent Water	384	[illegible]	-4
ASDA Group	7,300	59½	-4½	Courtaulds	1,500	463	-1	MB Caradon	7,000	261	+6	Shell Transport	3,600	[illegible]	-3
Abbey National	7,500	330	-1	Dalgety	348	407	+6	MEPC	401	466	-1	Siebe	491	[illegible]	-6
Albert Fisher	3,400	107	+1	De La Rue	1,000	485	-2	Manweb	23	295		Slough Ests	82	277	-1
Allied-Lyons	2,400	628	-18	Dixons	997	251	-5	Marks & Spencer	3,500	271	+4	Smith (W.H.) A	240	441	-2
Amstrad	607	42	-1	ECC Group	1,500	472	+3	Maxwell Comms	3,400	163½	-8½	Smith & Nephew	2,800	129½	+1
Anglian Water	185	378	-3	Eastern Elect.	1,000	180	-1	Midland Bank	893	295		SmKl Beecham	[illegible]	759	-2
Argos	1,600	309	+1	East Midland Elect.	93	205	-3	Midlands Elect.	494	212	-1	SmKl Beecham Uts.	[illegible]	3315	-13
Argyll Group	3,300	287	-3	Enterprise Oil	181	509	+1	NFC	1,300	218		Smiths Inds.	[illegible]	278	+2
Arjo Wiggins	485	255	-1	Eurotunnel Units	1,600	530	+10	NatWest Bank	1,300	343	+7	Southern Elect.	1,100	312	-2½
Ass. Brit. Foods	105	481	+1	FKI	1,100	73½	-2	National Power	16,000	[illegible]		South Wales Elect.	130	278	-1
BAA	703	487	+5	Ferranti	1,300	8½		Next	384	44½		South West Water	282	347	-1
BAT Inds	3,300	645	+7	Fisons	[illegible]	485		North West Water	517	387	-3	South West. Elect.	107	207	-2
BET	2,000	329		Forte	[illegible]	208		Northern Elect.	162	309	-2	Southern Water	49	328	-5
BICC	2,000	400	+1	Gen. Accident	[illegible]	540		Northern Foods	149	506	-1	Standard Chartd.	343	380	-1
BOC	1,200	579	+6	General Elect.	[illegible]	189	-½	Norweb	146	231	-1	Storehouse	1,700	112	-1
BPB Inds	2,500	177	-1	Glaxo	[illegible]	1362	-21	Pearson	31	780	+5	Sun Alliance	694	360	+2
BTR	2,700	438	+3	Glynwed Int.	[illegible]	349	-3	P & O	1,200	604	+6	T&N	1,300	[illegible]	
Bank of Scotland	4,900	118		Granada	[illegible]	174	-3	Pilkington	3,700	152	-4	TI Group	246	618	-10
Barclays	3,300	450	+3	Grand Met.	1,100	825	-6	PowerGen	8,600	175	-3½	TSB	1,000	147	+2
[illegible]	774	975	-2	GUS A	94	1305	-16	Prudential	1,000	292	-2	Tarmac	6,100	202	+1
[illegible]	1,100	117		GRE	1,300	187	+2	RHM	731	278		Tate & Lyle	194	405	-2
[illegible] Int.	787	36	+1	GKN	1,300	377	-5	RMC	422	622	+7	Taylor Woodrow	132	167	-1
Blue Circle	1,800	259	+4	Guinness	980	1037	-3	RTZ	1,400	535	+1	Tesco	4,500	254	-2
Booker	38	473		Hammerson 'A'	202	625	+1	Racal	7,200	56	-½	Thames Water	785	[illegible]	-3
Boots	3,000	419	+4	Hanson	4,300	223½		Rank Org	323	674	-3	Thorn EMI	1,100	[illegible]	-6
Bowater	227	678	+1	Hanson Warrants	471	39		Reckitt & Colman	1,300	688	+7	Tomkins	1,200	[illegible]	+4
Brit. Aerospace	861	425	+5	Harrisons Crosfield	598	164	+3	Redland	843	582		Trafalgar House	1,800	240	+3
[illegible]	1,800	182	-1½	Hawker Sidd.	239	752	+1	Reed Intl	3,100	480	-10	Ultramar	1,100	294	
[illegible] Gas	4,000	274		Hillsdown	595	236	+3	Rentokil	259	375	+1	Unigate	2,000	319	+4
[illegible] Land	376	321	-4	IMI	598	261	-2	[illegible]	1,100	504	+3	Unilever	1,800	795	+5
BP	7,000	329		ICI	1,100	1291	+4	[illegible]yco	2,900	142	-2	United Biscuits	380	365	+1
[illegible] Steel	6,100	128½	+2	Inchcape	487	382	+1	Rothmans	680	1112	+27	Utd. Newspapers	87	598	-2
[illegible] Telecom	3,200	[illegible]	-2½	Kingfisher	2,200	444	-7	Ryl Bk Scotland	3,300	179	-2	Vodafone	4,000	375	+7
[illegible]	114	90	-1	Ladbroke	1,900	258		Royal Insurance	693	370	+2	Wellcome	117	730	-6
[illegible]	799	885	-2	Land Securities	1,300	535	+1	Saatchi	1,230	18		Welsh Water	238	377	-8
Burton	4,200	47	+2	Laporte	381	600	+9	Sainsbury	2,600	361	-4	Wessex Water	1,300	418	+1
[illegible] Wire.	1,600	660	+2	Legal & General	680	435	-3	Scottish & New.	1,200	404	-2	Whitbread 'A'	1,300	476	-6
Cadburys	1,200	404	-6	Lloyds Abbey	330	427		Scot. Hydro-Elect.	4,500	115	-1½	Williams Hldgs.	1,600	335	
Color Group	198	225	+2	Lloyds Bank	1,200	[illegible]	+3	Scottish Power	7,700	113½	-1½	Willis Corroon	35	508	
Carlton Comms.	179	519	-4	LASMO	481	507	+1	Sears	5,100	95	+2	Wimpey	86	185	-5
[illegible]	1,600	180	+1	London Elect.	66	205	-2	Sedgwick	288	265		Yorkshire Elect.	122	244	-1
[illegible]	476	516	-3	Lonrho	434	228½	+2	Seeboard	156	212	-1	Yorkshire Water	585	404	-4

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

THE FUTURES market remained reluctant to move upwards yesterday as expiry of the September Footsie future approached, writes Peter John.

There appeared to be flickers of life at one stage but hopes of a rise were short-lived and the September Footsie future contract closed at 2,589, up only one point on the day and at a premium of 12 to the underlying cash index. The September contract is still trading above its estimated fair value and one trader argued that the December contract would continue the trend.

[illegible] at the official close was [illegible], while the December contract saw 2,000 lots dealt. There was rolling of positions from September to December but dealers were restrained as the spread between the two remained unprofitably low.

Turnover in LTOM was enlivened by the run-up to the expiry of September series stock options today. This boosted trade in Sears and Hillsdown, the busiest stock options, although Sears was also affected by the continuing bid speculation surrounding the company. In the Footsie Index option almost half of the turnover of [illegible] lots related to a technical spread trade carried out by Sheppards.

LONDON SHARE SERVICE

BRITISH FUNDS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" [illegible] up [illegible] Five Years)				
100¼	99⅜	Exch. 11pc 1991	100¼xd	-⅛	10.99	10.36
99½	96[illegible]	Treas. 8pc 1991	99½		8.04	10.16
101½	100[illegible]	Treas 12¾pc 1992‡‡	100¾	-[illegible]	12.66	9.99
100⅛	97[illegible]	Treas 10pc 1992	99[illegible]		10.01	9.96
132[illegible]	125[illegible]	Treas. 2pc IL 1992‡‡	132[illegible]	+[illegible]	1.99	[illegible]
99[illegible]	95[illegible]	Treas. 8pc 1992‡‡	99xd	-[illegible]	8.08	[illegible]
100[illegible]	98½	Treas 10½pc Cv 1992‡‡	100[illegible]		10.47	[illegible]
96[illegible]	91[illegible]	Treas. 3pc 1992	96[illegible]		3.11	[illegible]
102[illegible]	100[illegible]	Exch. 12¼pc '92	102[illegible]	-[illegible]	12.00	[illegible]
104[illegible]	102[illegible]	Exch 13½pc 1992	103[illegible]	-[illegible]	13.04	[illegible]
98[illegible]	94	Treas 8¾pc 1993	98[illegible]		8.40	[illegible]
100[illegible]	97[illegible]	Treas 10pc 1993‡‡	100[illegible]xd		9.95	9.65
104[illegible]	102[illegible]	Treas 12½pc 1993‡‡	104½		11.96	[illegible]
94[illegible]	89[illegible]	Funding 6pc 1993‡‡	94[illegible]		6.32	[illegible]
108[illegible]	105[illegible]	Treas 13¾pc 1993‡‡	107[illegible]	-[illegible]	12.78	[illegible]
97[illegible]	92[illegible]	Treas. 8½pc 1994	97[illegible]	-[illegible]	8.71	9.61
111[illegible]	108[illegible]	Treas 14½pc 1994‡‡	110[illegible]		13.14	9.63
109	105[illegible]	Exch 13½pc 1994	108[illegible]	-[illegible]	12.44	9.63
101[illegible]	96[illegible]	Treas. 10pc Ln. 1994‡‡	100[illegible]		9.92	9.65
107[illegible]	103[illegible]	Exch. 12½pc 1994	106[illegible]	-[illegible]	11.70	[illegible]
98[illegible]	93[illegible]	Treas 9pc 1994‡‡	98[illegible]	-[illegible]	9.17	[illegible]
106[illegible]	102[illegible]	Treas 12pc 1995	106[illegible]		11.27	[illegible]
89	82[illegible]	Exch 3pc Gas 90-95	87½	+[illegible]	3.43	7.11
102[illegible]	96[illegible]	Exch. 10¼pc 1995	101[illegible]		10.06	9.63
110[illegible]	105[illegible]	Treas 12¾pc 1995‡‡	110[illegible]	+[illegible]	11.58	[illegible]
114[illegible]	109[illegible]	Treas. 14pc '96	114[illegible]	+[illegible]	12.27	9.90
99	92[illegible]	Treas. 9pc 1992-96‡‡	98[illegible]		9.11	[illegible]
119[illegible]	115[illegible]	Treas 15¼pc 1996‡‡	119[illegible]	+[illegible]	12.77	9.89
112[illegible]	108	Exch 13¼pc 1996‡‡	112[illegible]	-[illegible]	11.78	9.82
		Five to Fifteen Years				
101[illegible]	95[illegible]	Conversion 10pc 1996	101[illegible]	-[illegible]	9.86	[illegible]
101[illegible]	97[illegible]	Do. 10pc 1996 B	101[illegible]		10.11	[illegible]
114[illegible]	108[illegible]	Treas 13¼pc 1997‡‡	114		11.62	[illegible]
103[illegible]	97[illegible]	Exch 10½pc 1997	103½	-[illegible]	10.14	[illegible]
96[illegible]	89[illegible]	Treas 8¾pc 1997‡‡	96[illegible]	-[illegible]	9.08	9.55
123[illegible]	117	Exch 15pc 1997	122⅝xd	-[illegible]	12.23	9.95
100[illegible]	93[illegible]	Exch. 9¾pc 1998	100½		9.70	[illegible]
88[illegible]	80[illegible]	Treas 6¾pc 1995-98‡‡	88[illegible]	-[illegible]	7.64	[illegible]
128[illegible]	121[illegible]	Treas. 15½pc '98‡‡	128[illegible]xd	-[illegible]	12.07	[illegible]
111[illegible]	104[illegible]	Exch. 12pc 1998	111[illegible]	-[illegible]	10.77	[illegible]
100[illegible]	92[illegible]	Treas 9½pc 1999‡‡	99[illegible]	+[illegible]	9.51	[illegible]
113[illegible]	105[illegible]	Exch. 12¼pc 1999	113[illegible]xd	+[illegible]	10.82	[illegible]
104[illegible]	97[illegible]	Treas. 10½pc 1999	104½	+[illegible]	10.05	9.65
103[illegible]	95[illegible]	Conversion 10¼pc 1999	103[illegible]	+[illegible]	9.93	9.65
97[illegible]	89[illegible]	Conversion 9pc 2000‡‡	97[illegible]	+[illegible]	9.25	[illegible]
118[illegible]	110½	Treas. 13pc 2000	118[illegible]		10.98	[illegible]
103[illegible]	94[illegible]	Treas 10pc 2001	102[illegible]	+[illegible]	9.74	[illegible]
119[illegible]	113[illegible]	Treas. 14pc '98-01	119½		11.72	9.91
101[illegible]	92[illegible]	Treas 9¾pc 2002	101[illegible]	+[illegible]	9.64	9.57

BRITISH FUNDS—Contd

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
104[illegible]	94[illegible]	Treas 10pc 2003	103[illegible]	+[illegible]	9.68	9.54
111	102	Treas. 11½pc 2001-04	110½xd	+[illegible]	10.41	9.77
62[illegible]	53[illegible]	Funding 3½pc '99-04	61[illegible]	+[illegible]	5.66	8.44
[illegible]	90[illegible]	Conversion 9½pc 2004	99[illegible]xd		9.51	[illegible]
100[illegible]	90[illegible]	Conversion 9½pc 2005	99[illegible]xd		9.51	[illegible]
121[illegible]	111	Treas. 12½pc 2003-05	120[illegible]	+[illegible]	10.30	9.57
		Over Fifteen Years				
88[illegible]	79[illegible]	Treas. 8pc 2002-06‡‡	88¼xd	+[illegible]	9.07	[illegible]
115[illegible]	105[illegible]	Treas. 11¾pc 2003-07	114[illegible]	+[illegible]	10.22	[illegible]
93[illegible]	84[illegible]	Treas 8½pc 2007‡‡	92[illegible]	+[illegible]	9.16	[illegible]
129[illegible]	118[illegible]	Treas. 13½pc '04-08	128[illegible]xd		10.52	[illegible]
98	88[illegible]	Treas 9pc 2008‡‡	97[illegible]xd	+[illegible]	9.25	[illegible]
89[illegible]	80	Treas 8pc 2009	88[illegible]xd	+[illegible]	9.03	[illegible]
97[illegible]	88[illegible]	Conv 9pc Ln 2011‡‡	97¼	+[illegible]	9.25	[illegible]
98[illegible]	91[illegible]	Cnv. 9pc 2011 A	97[illegible]	+[illegible]	9.51	[illegible]
66	58[illegible]	Treas. 5½pc 2008-12‡‡	65[illegible]	+[illegible]	8.41	[illegible]
85[illegible]	76[illegible]	Treas 7¾pc 2012-15‡‡	84[illegible]		9.12	9.33
125[illegible]	113[illegible]	Exch. 12pc '13-'17	124[illegible]		9.65	9.36
		Undated				
41[illegible]	37[illegible]	Consols 4pc	41½		9.64	-
37[illegible]	33[illegible]	War Loan 3½pc‡‡	37[illegible]		9.43	-
60[illegible]	57[illegible]	Conv. 3½pc '61 Aft.	60[illegible]		5.77	-
30[illegible]	28[illegible]	Treas. 3pc '66 Aft.	30[illegible]		9.82	-
26[illegible]	23[illegible]	Consols 2½pc	26[illegible]		9.59	-
26[illegible]	23[illegible]	Treas. 2½pc	25[illegible]		9.69	-
		Index-Linked				
		(b)			[illegible]	(2)
121½	[illegible]	Treas. 2pc '94 (102.9)	121[illegible]	+[illegible]	2.68	3.70
[illegible]	[illegible]	Do. 2pc '96 (67.9)	175[illegible]	+[illegible]	3.40	3.96
[illegible]	[illegible]	Do 2½pc '01 (78.3)	143[illegible]	-[illegible]	3.87	4.18
140[illegible]	133	Do. 2½pc '03 (78.8)	140	-[illegible]	3.91	4.19
142[illegible]	135	Do. 2pc '06 (69.5)	141[illegible]	-[illegible]	4.02	4.23
[illegible]	[illegible]	Do. 2½pc '09 (78.8)	129[illegible]	-[illegible]	4.05	4.25
[illegible]	[illegible]	Do. 2½pc '11 (74.6)	134	-[illegible]	4.06	4.24
110[illegible]	105[illegible]	Do. 2½pc '13 (89.2)	110½	-[illegible]	4.07	[illegible]
118	113[illegible]	Do. 2½pc '16 (81.6)	117[illegible]	-[illegible]	4.07	[illegible]
113[illegible]	109[illegible]	Do. 2½pc '20 (83.0)	112¼xd	-[illegible]	4.07	4.22
[illegible]	91[illegible]	Do. 2½pc '24‡‡ (97.7)	93½	-[illegible]	4.05	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. [illegible] Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI [illegible] January 1991: 130.2 and for [illegible] 1991: 134.1.

INT. BANK AND O'SEAS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
107[illegible]	95[illegible]	African Dv Bk 11¼ Ln 2010	107[illegible]	+[illegible]	10.35	10.21
102[illegible]	91[illegible]	Asian Dev Bk 10¼pc Ln 2009	102[illegible]	+[illegible]	10.03	[illegible]
116[illegible]	105[illegible]	[illegible] Am Dev Bk 12¾pc 2003	115[illegible]	-[illegible]	10.86	[illegible]
97[illegible]	[illegible]	[illegible] 9¾pc Ln 2015	[illegible]	+[illegible]	10.04	[illegible]
[illegible]	[illegible]	[illegible] State 16½pc 2008	124		13.31	[illegible]

CORPORATION LOANS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
104½	100½	Birmingham [illegible] 2012	104½		11.00	10.90
98½	93½	GLC 6¾ [illegible]	98½		6.85	9.40
118½	110½	Leeds 13½pc 2006	118½		11.39	11.10
31	28	Liverpool 3½pc Irred	31		11.29	-
27	26	LCC 3pc '20 Aft.	27		11.11	-
[illegible]	97½	Manchester 11½pc 2007	105½		10.90	10.80

COMMONWEALTH & AFRICAN LOANS

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
95	84½	Sth Rhod. 87-92 Assd	95		4.74	-

LOANS

Building Societies

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
106	102[illegible]	N'wide Anglia 3¾pc Ln 2021	105½		[illegible]	[illegible]
107¾	104	Do 4.25pcIL '24	107½		[illegible]	[illegible]

Public [illegible] and Ind.

1991 High	1991 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible] Wtr. 3pc 'B'	53		5.66	[illegible]

FOREIGN BONDS & RAILS

1991 High	1991 Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
50	50	Greek 7pc Ass.	50		3.50	f7.00
50	50	Do. 6pc 28 Stb. Ass.	50		3	f6.00
50	50	Do 4pc Mixed Ass.	50		2	f4.00
55	55	Hung. '24 Ass.	55		2.75	f3.57
133[illegible]	120[illegible]	Hydro Quebec 15pc 2011	133[illegible]	+[illegible]	15.0	10.86

Continued on next page

APPOINTMENTS

Top change at Taylor Woodrow Property

■ **Mr Keith Egerton** has been appointed managing director of TAYLOR WOODROW PROPERTY. Mr Peter Hedges, currently chairman and managing director, will continue as chairman of the property company and will now be able to commit more time to his wider responsibility as a deputy chairman of the parent Taylor Woodrow Plc.

Mr Egerton was chairman of County and District Properties and became a director of Costain Group in 1989. Before joining Costain in 1983 he was managing director of Commercial Union Properties (UK).

Sir Kit McMahon has joined the Taylor Woodrow board of directors. He will serve in a non-executive capacity, having specific responsibility for the audit committee of the company.

Commenting on Sir Kit's appointment, Mr Peter Drew, Taylor Woodrow chairman, said the company will benefit from his vast experience gained in the many high offices which he has held in the City of London and internationally.

■ BRAUN (UK) has named **Mr Karl Uggerholt** as financial controller. He had been serving as financial planning manager of the Gillette North Atlantic Group.

■ **Sir Patrick Wright** *(pictured)*, former permanent under-secretary at the Foreign and Commonwealth Office and head of the Diplomatic Service, has been appointed an advisory director of UNILEVER with effect from October 1.

Sir Patrick, who retired from the government post in June on reaching the age of 60, is also joining the boards of Barclays Bank and British Petroleum.

■ As part of [illegible] continuing development [illegible] its derivatives [illegible] through [illegible] alliance with O'Connor Partners, Swiss Bank Corporation (SBC) has announced two senior appointments:

Mr Bruce Brittain has been made [illegible] of derivatives origination and distribution in Europe, and he will be based in London. He was a managing director at Salomon Brothers, responsible for the origination and distribution of interest rate management products.

Mr Robert Edward Chambliss has become head [illegible] American institutional investor sales and will be based in New York but report to Mr Brittain. Mr Chambliss gained much of his experience with Salomon, where he was latterly a managing director.

■ **Mr Paul Ainsworth, Mr Laurence Holyoake, Miss Anita Majmudar and Mrs Shigeko White** have been appointed executive directors of CAPITAL MARKET [illegible] TREASURY SERVICES (ASIA), a subsidiary of Mayflower Group and [illegible] to CMTS Derivatives [illegible] and Mayflower [illegible] Ltd.

■ **Mr Peter Debenham** has been named business development director of HAWKER SIDDELEY's [illegible] division. He joins from 3i, [illegible] was investment controller.

■ CITICORP SCRIMGEOUR VICKERS INTERNATIONAL appointed **Mr Daniel Smaller** as executive director. He will [illegible] responsible for trading and [illegible] of the global emerging markets equities [illegible]

■ **Ms Alison Carnwath,** [illegible] director of J. Henry Schroder Wagg, and **Mr Peter Shirley,** previously a partner at Herbert Smith, the City lawyers, [illegible] joining [illegible] of CULLENS HOLDINGS as non-executive directors.

Mr Philip Kaye and Mr Anthony Montagu [illegible] resigned, the former [illegible] [illegible]rate on his restaurant interests. Mr Montagu [illegible] that, since Abingworth Management has disposed of its shareholding in Cullens, it is no longer appropriate for him to remain on the board.

■ At GIROBANK, a wholly owned subsidiary of Alliance & Leicester, the third largest building society in the UK, **Mr Stephen Jones** *(pictured)* is to fill the position of general manager, corporate banking, with responsibility for planning, financial control, information technology and all marketing activities within the corporate bank.

He previously held [illegible] post [illegible] commercial manager [illegible] money transmission [illegible] Lloyds Bank.

FT MANAGED FUNDS SERVICE

AMERICANS

1991 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
33¼	20⅞	Abbott Laboratories‖	38 5/16	–½	$1.00	–	1.9
385p	257p	♥Allegheny & W 1c.	259p	–13	30c	–	6.8
10¼	667p	Amdahl 5c.	770p	–4	10c	–	0.8
42½	25¾	Amer. Cyanamid $5	38	+¼	$1.50	–	2.3
17¾	9 15/16	Amer. Express 60c.	14⅞	+⅛	92c	–	3.7
24½	15¼	American T. & T. $1	21 [illegible]	+[illegible]	$1.32	–	3.6
38¾	32½	Ameritech $1	36	+½	$3.40	–	5.6
26	12 [illegible]	BankAmerica $1 [illegible]	[illegible]	+½	$1.20	–	3.1
35¾	20 [illegible]	Bankers N.Y. $1	[illegible]	–[illegible]	$1.52	–	8.6
30½	24¼	Bell Atlantic $1	[illegible]	+[illegible]	$2.52	–	5.4
31¼	25	BellSouth Corp.	28 [illegible]	–[illegible]	$2.76	–	5.7
11¼	6 [illegible]	♥Bethlehem Steel $8	9⅝	–⅛	40c	–	2.5
1839p	1046p	Bowater Inc.	1382p	+13	$1.20	–	5.1
54 [illegible]	37 [illegible]	CPC Intnl. 25c.	50 [illegible]	....	$2.00	–	2.3
930p	420p	California Engy.	856p	+10	–	–	–
50	28¼	Campbell Soup 15c.	42¼	–1	$1.16	–	1.6
12¼	5 [illegible]	Chase Manhattan $12½	18 [illegible]	–[illegible]	$1.20	–	6.8
9 [illegible]	5½	Chrysler $6¼	5 [illegible]	–[illegible]	60c	–	6.0
10 [illegible]	5¾	Citicorp $1	8⅛	–½	$1.00	–	7.3
25	21 [illegible]	Colgate-Palmolive $1	23½	+¼	$1.06	–	2.7
928p	438p	Cont'l Bank Corp $4	648p	–4	60c	–	5.5
21¾	13 [illegible]	Dana Corp. $1	17 [illegible]	–[illegible]	$1.60	–	5.4
1199p	203p	Data General	1166p	+12	–	–	–
22⅛	12⅞	Dial Crop. $1.5	21	+[illegible]	$1.40	–	[illegible]
29⅝	20¼	Dun & Bradstreet $1	27 [illegible]	+[illegible]	$2.16	–	[illegible]
40	24¼	Eaton Corpn. 50c.	36¼	–[illegible]	$2.20	–	–
8½	5½	Echlin Inc.	6⅞	–[illegible]	70c	–	6.0
20¼	14 [illegible]	FPL Group 1c.	18⅝	.....	$2.40	–	7.6
30 [illegible]	17 [illegible]	Fluor Corp 62½pc.	23⅝	–⅝	32c	–	0.8
23¼	13¼	Ford Motor $1	16 [illegible]	–[illegible]	$1.60	–	3.6
46 [illegible]	28 [illegible]	Gen. Elect. 63c.	[illegible]	–[illegible]	$2.04	–	3.0
566p	270p	♥General Host Corp $1	[illegible]	+38	34c	–	4.0
45¾	20¾	Gillette $1	[illegible]	–[illegible]	62c	–	1.6
18¼	794p	Hasbro Inc 50c.	17½	.....	24c	–	0.8
38½	21¼	Honeywell $1½	[illegible]	+[illegible]	$1.50	–	2.9
23¼	17¾	Houston Inds.‖	22	–½	$2.96	–	7.9
72 [illegible]	55 [illegible]	IBM Corpn $1¼	60½	+[illegible]	$4.84	–	4.[illegible]
32½	18 [illegible]	Ingersoll-Rand $2	28¼	....	$1.32	–	2.8
28¼	16¼	Lockheed Crpn. $1	23½	+½	$2.00	–	5.1
2155p	1245p	Lowe's 50c.	[illegible]	–108	56c	–	1.8
18¾	9½	Manuf. Hanover $1	[illegible]	–[illegible]	♦$3.28	–	11.7
28¼	10 [illegible]	Merrill Lynch $1	[illegible]	–[illegible]	$1.00	–	[illegible]
33 [illegible]	21 [illegible]	Morgan (JP) $2½	[illegible]	–1[illegible]	$1.98	–	3.4
44¼	25 [illegible]	Morris (Philip)	[illegible]	–½	$2.10	–	3.0
46¾	37	NYNEX $1	[illegible]	+¼	$4.56	–	6.1
89p	15p	♥Pac. Agricultural	15p	.....	–	–	–
23 [illegible]	11¾	Pall Corp. 25c	21 [illegible]	–¼	b44c	–	1.2
46¼	33¼	Pennzoil 83 1/3c.	37½	–⅛	$3.00	–	4.7
40½	24¾	Quaker Oats $5	33½	+¼	$1.72	–	3.0
41¾	24 [illegible]	Rep NY Corpn $5	38⅛	....	$1.40	–	2.2
17¾	12¼	Rockwell Intl. $1	15¼	–[illegible]	86c	–	3.5
25⅝	12 [illegible]	Sears, Roebuck 75c.	22 [illegible]	–⅛	$2.00	–	5.3
34½	25¾	Southwestern Bell $1	[illegible]	–[illegible]	$2.84	–	5.2
20¾	14 [illegible]	Sun Co. Inc. $1	[illegible]	–⅛	$1.80	–	6.0
27¼	21¼	Tenneco $5	[illegible]	–[illegible]	$3.20	–	8.2
40½	29 [illegible]	Texaco $6.25	36	+[illegible]	$3.20	–	5.3
26¼	15 [illegible]	Texas Instr. $1	[illegible]	+¼	72c	–	2.6
*64½	37¾	Time Warner $1	[illegible]	–½	$1.00	–	1.3
16¾	8¾	TRINOVA Corp.	[illegible]	–[illegible]	68c	–	3.1
538p	250p	♥Unitab	[illegible]	.....	–	–	–
29¾	22½	Utd. Technologies	[illegible]	–[illegible]	$1.80	–	4.1
92p	42p	♥Unitech Inc.	82p	.....	–	–	–
23	18¼	US West‖	21½	.....	$2.08	–	5.7
162p	87½p	Varity Corp‖	121½p	+½	$1.30	–	–
24 [illegible]	16⅝	Waste Management $1	20½	–¼	44c	–	1.3
2200p	1053p	Whirlpool $1	2195p	+51	$1.10	–	3.0
20 [illegible]	13½	♥Woolworth $3½	16 [illegible]	–[illegible]	$1.08	–	3.8

CANADIANS

1991 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
11p	8½p	♥Abbot Energy Corp.	10¼p	......	–	–	–
1477p	953p	♥Amer. Barrick Res.	1257p	+43	8c	–	0.3
19⅝	13	Bk. Montreal‖	19⅛	+¼	$2.12	–	5.6
1015p	536p	Bk. Nova Scot.‖	984p	–15	$1.00	–	5.2
831p	639p	♥BC Gas $1	829p	+4	60c	–	3.7
24	17¼	BCE‖	22	.....	$2.56	–	5.9
10½	647p	♥Brascan‖	882p	–16	$1.04	–	6.0
36p	9p	♥Breakwater Res.	11½p	+1	10c	–	–
1725p	1180p	Can. Imp. Bank‖	1606p	–12	$1.32	–	4.2
11	855p	Can. Pacific‖	908p	+4	64c	–	3.6
[illegible]	[illegible]	Do. 4pc Deb £100	[illegible]	[illegible]	[illegible]	–	[illegible]
[illegible]							

For Varity see Americans

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES – Contd

[illegible]

ELECTRICALS

[illegible]

For Racal Telecom see Vodafone

ELECTRICITY

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

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LEISURE—Contd

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
178	125	Barr & W.A.T. 'A'	172	.....	9.75	1.7	7.6	10.6
750	425	Boosey & Hawkes	750	.....	16.4	2.7	2.9	15.0
58	24	Border T.V.	56	.....	2.1	♦	5.0	♦
88	4½	Brent Walker 10p	14¾	–2¼	5.0	–	–	–
38	2½	Do 6pc Cv Cm Rd Pf £1	4	–1	–	–	–	–
55	13	Buckingham Int'l 10p	28	+1	‡2.1	1.8	♦	6.5
360	183	Campari Int. 20p	355	.....	†11.0	2.9	4.1	9.7
227	134	Capital Radio 2½p	222	+2	5.25	2.9	3.2	14.6
524	350	Carlton Comms 5p	513	–4	†14.1	2.4	3.7	14.4
82	61	Do. 6.5p Prf 5p	80	–1	6.5	–	10.8	–
259	168	Castle Comms. 5p	223	.....	8.5	1.7	5.1	14.9
940	480	Central ITV	940	+7	28.5	1.4	4.0	23.0
164	120	Chiltern Radio 10p	163	.....	†4.8	2.6	3.9	12.5
89	39	Chrysalis	76	.....	‡‡2.0	–	♦	–
69	27	Cityvision 5p	39	.....	1.0	7.0	3.5	5.1
6	3	Classic Th'breds Ir0.20	4	.....	–	–	–	–
261	225	Eurocamp 5p	268	.....	‡8.5	2.5	4.4	12.5
1610	908	Euro Disney Fr10	1485	–5	–	–	–	–
30	5	European Leis. Ir25p	10	–½	1.7	2.2	22.7	1.7
44	21½	Ex Lands 10p	36	+1	–	–	–	–
47	13	Expedier 20p	16	.....	1.0	2.7	8.3	4.4
593	405	Fairline Boats 10p	590	–3	21.0	4.1	4.7	6.9
282	188	First Leisure	274xd	.....	†5.05	2.6	2.5	18.9
253	195	GWR Group 20p	247	.....	‡6.0	3.2	♦	12.9
78	59	Grampian TVA 10p	78	.....	4.1	3.1	7.0	6.1
8	4	Greenwich Comm. 1p	4	.....	–	–	–	–
63	33	HTV Ord	49	.....	3.75	1.2	10.2	11.3
193	55	Hi-Tec Sports	185	.....	5.0	2.9	3.6	12.6
4½	1½	Int'l Media Comm. 1p	2	.....	–	–	–	–
64	30	Intl. Resort Hldgs	49	.....	‡‡3.2	2.5	♦	3.7
92	49	Invicta Sound 10p	91	.....	1.0	4.2	1.5	28.6
47	27½	Kunick 10p	35¼	–1	2.0	2.2	7.6	8.4
88	53	Do. 8¼pc Pf. 5p	77	+1	8.25	–	14.3	–
111	80	LWT (Hldgs) 7.975p Pf 5p	108	–3	†3.94	–	4.9	–
335	262	Manchester Utd. 10p	286	+1	–	–	–	–
353	155	Marina Devs. 50p	165	+8	5.0	0.5	4.0	–
179	124	Metro Radio Grp 5p	177	.....	5.0	3.0	3.8	11.9
102	84	Midlands Radio 10p	88	.....	‡4.5	1.0	♦	19.8
5½	2½	Mirfhall Hldgs. 1p	3	.....	–	–	–	–
116	34	Owners Abroad 5p	105½	.....	‡‡2.9	4.0	3.7	8.9
[illegible]								

PROPERTY—Contd

[illegible]

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS—Contd

[illegible]

Net asset values supplied by County NatWest Wood Mackenzie as a guide only.

FINANCE, LAND, ETC

[illegible]

FINANCE, LAND, ETC—Contd

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

Teas

[illegible]

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

[illegible]

MINES—Contd

Australians

Tins

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

[illegible]

TRADITIONAL OPTIONS

3-month call rates

Industrials

Property

Oils

Mines

[illegible]

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1,150 a year for each security shown, subject to the Editor's discretion.

LONDON SHARE SERVICE

● [illegible] are [illegible] on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other [illegible]. To obtain your free [illegible] Code [illegible] ring 071-925-2128

AUTHORISED UNIT TRUSTS

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
Gilts & Fixed Int	6	116.7	116.7	123 8		9.29
High Inc Equity	6	136.7	140.1	149.0	-0.5	5.70
Worldwide Bond	6	211.0	211.0	223.7	+2.4	6.71
Capital Growth						
American Growth	6	201 6	201.6	213 3	-0.2	[illegible]
Asian Pacific	6	118.1	120.5	128.2	-0.2	1.23
Assets & Earnings	6	183.6	187.5	199.4	-0.2	2.90
Capital Reserve Acc	0	108.98	108.98	109.06	+0.06	6.96
Capital Reserve Inc	0	86.13	86.13	86.20	+0.05	6.96
Comdty & Energy	6	73.47	73.47	78.57	+0.07	1.88
1992 Enterprise	6	65.76	65.76	70.33	-0.06	3.11
Euro Capital Acc	6	88.46	88.46	94.54	-0.14	1.43
Euro Capital Inc	6	84.46	84.46	90.33	-0.12	1.44
General	6	174.7	174.7	186.8	-0.3	2.68

Commercial Union Tst Mgrs – Contd.

Confederation Funds Mngt Ltd (1200)F

Consistent Unit Tst Mngt Co Ltd (1200)F

GA Unit Trust Mngrs Ltd (1000)H

GT Unit Managers Ltd (1200)H

Kleinwort Benson Unit Trusts (1400)F

Marks & Spencer Unit Trust Ltd (1200)F

Marlborough Fund Managers Ltd (1630)F

Martin Currie Unit Trusts Ltd (0905)H

Matheson Unit Trust Managers Ltd (1200)H

Murray Johnstone UT Mgmt (1000)H

NFU Mutual Unit Mngrs Ltd (1400)F

NM Unit Trust Mngrs (1200)H

Rothschild Fund Management – Contd.

Royal Life Fd Mgmt Ltd

Bishopsgate Progressive Mgmt Co (1200)F

Brewin Dolphin Unit Tst Mgrs Ltd (0905)F

Britannia Life Unit Managers Ltd (1200)F

Manulife Management Ltd (1200)H

St George's Way, Stevenage Dealings:071-256 5858

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Growth Units	5¼	[illegible]	136.4xd	145.1	+0.4	4.10
Gilt & Fxd Int	5	[illegible]	151.4	159.2	+0.1	7.95
Intl Growth	5¼	[illegible]	147.4	156.8	+1.2	0.45
North American ♥	5¼	[illegible]	98.03	104.3	+1.1	0.33
Far East	5¼	[illegible]	116.1	123.5	+1.1	0.52
UK Smaller Cos	5¼	[illegible]	108 0	114 9	+0.3	2.76
European	5¼	53 63	53.63	57.16		1.15
Japanese [illegible]	5¼	37.14	37.14	39.76	+0.72	0 00
[illegible]	5¼	49.85	50.19	53.39	+0.2	1.56
High [illegible]	5¼	149.9	151.5xd	161.2	+0.3	5.79
High Yielding Gilt	5¼	61.64	61 64	64.88		9.61
Cash		51.95	51.95	51.95	+0.01	9.03

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Intl Gwth	5¼	142.3	142.3	151.5		0.00
UK Equity Inc	5¼	120.7	120.7	129.7	-0.3	6.23
UK Equity Acc	5¼	135.9	135.9	146.1	-0.3	6.23
UK Ind Tracker Inc	5	124.5	124.5xd	132.9	-0.5	3.71
UK Ind Tracker Acc	5	135.4	135.4xd	144.5	-0.6	3.71
US Eq Ind Tracker Inc	5	140.9	140.9xd	151.1	-0.4	2.98
US Eq Ind Tracker Acc	5	146.3	146.3xd	156.9	-0.4	2.98
Japan Tracker	5	61.58	61.58	65.31	+4.98	0.00
Asian Tracker	5¼	80.10	80.10	85.72	-0.31	1.82
Managed Inc	5¼	101.3	101.3	108.9	+0.1	2.92
Managed Acc	5¼	102.9	102.9	110.7	+0.1	1.92
Cash Inc	0	100.34	100.34xd	100.34	+0.02	10.56
Cash Acc	0	110.88	110.88xd	110.88	+0.02	10.56
Europa	5¼	104.9	104.9xd	112.4	+0.1	0.00

For Geoffrey Morley see Commercial Union

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL [illegible] made on sale of units. Used [illegible] and administrative costs, including [illegible] paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE. The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often well above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 – 379 – 0444.

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LONDON SHARE SERVICE

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Stewart Ivory Unit Tst Mgrs Ltd (1200)H

Funds in Court*

Henderson Unit Trust Management Ltd

INVESCO MIM Management Ltd

Lazard Brothers & Co. Ltd

Local Authorities Mutual Invest. Tst.*

M & G Securities Ltd

Morgan Grenfell Unit Trust Managers Ltd

Murray Johnstone UT Mngmt

Phillips & Drew Fund Management Ltd

Rothschild Asset Management

Stewart Ivory & Co Ltd

Thornton Unit Managers Ltd

Touche Remnant Unit Tst Mngt Ltd

INSURANCES

AA Friendly Society

Abbey Life Assurance Co Ltd

Allied Dunbar Assurance Plc

Barclays Life Assur. Co Ltd

Black Horse Life Assurance

Britannia Life Assurance

Century Life Plc

Citibank Life

Clerical Medical Investments Group

Colonial Mutual Group

Commercial Union Group

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Friends Provident

Guardian Royal Exchange

Hearts of Oak Insurance Group

Legal & General (Unit Pensions) Ltd

Liberty Life Assurance Co Ltd

Life Association of Scotland

Lifetime Assurance Co Ltd

London & Manchester Group

M & G Life and M & G Pensions

Manchester Unity Assurance

Manulife Group

Manulife Group—Contd.

Merchant Investors Assurance Co Ltd

Mercury Life Assurance Co Ltd

Midland Life Limited

NEL Britannia Assurance Co Ltd

NM Life Assurance Ltd

OTHER UK UNIT TRUSTS

Continued on next page

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	Bid Price	Offer Price	+ or -	Yield Gross
N & P Life Assurance Ltd				
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348				
Life Managed Fd	108.6	114.4	+0.3	-
Pension Managed Fd	108.1	113.8	+0.3	-
Life Deposit Fd	109.5	115.3	----	-
Pension Deposit Fd	115.7	121.8	----	-
National Financial Management Corp PLC				
72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539				
Life Funds				
Managed Cautionary	115.1	121.2	-0.1	-
Managed Growth	140.6	148.1	----	-
Managed Opportunity	141.0	148.5	+0.1	-
NFMC Target Financial	106.9	112.6	-0.1	-
Pension Funds				
Managed Cautionary	125.6	132.3	----	-
Managed Growth	148.8	156.7	----	-
Managed Opportunity	141.2	148.7	----	-
NFMC Target Mngd Pen	1568.4	1651.0	+0.4	-
National Mutual Life				
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 [illegible]				
Harvester Pension Funds				
Managed	167.3	176.2	----	-
UK Equity	179.7	189.2	----	-
Overseas Equity	131.5	138.5	----	-
Fixed Interest	153.1	161.2	----	-
Property	135.9	143.1	----	-
Index Linked	150.6	158.6	----	-
Deposit	161.4	169.9	----	-
With Profits (B)	132.1	139.1	----	-
National Provident Institution				
48 Gracechurch St, London EC3P 3HH 071-623 4200				
Managed	359.2	378.2	+0.4	-
UK Equity	457.0	481.1	+0.7	-
Overseas Eq	346.1	364.4	----	-
Americas	287.3	302.5	-0.3	-
Far East	367.1	386.5	+2.8	-
Property	194.7	205.0	-0.1	-
Fixed Int	269.3	283.5	+0.3	-
Indexed Gilt	160.1	168.6	----	-
Deposit	185.7	195.5	----	-
With Profit	103.2	108.7	+0.1	-
Pension Fund (Accum Units)				
Managed	515.4	542.6	[illegible]	-

[illegible]

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

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ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

JERSEY (REGULATED)(**)

[illegible]

LUXEMBOURG (SIB RECOGNISED)

[illegible]

LUXEMBOURG (REGULATED)(**)

[illegible]

SWITZERLAND (SIB RECOGNISED)

[illegible]

OTHER OFFSHORE FUNDS

[illegible]

MANAGED FUNDS NOTES

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

US consumer data hits dollar

THE DOLLAR [illegible] lower yesterday after recent concerns that the US economy is making only [illegible] weak recovery from recession were supported by official data indicating a larger fall in consumer confidence than expected.

The 3.5 percentage point fall in the consumer confidence index in September to 72.7 took the market by surprise. Only last week the University of Michigan said confidence had [illegible] this month. This had led analysts [illegible] expect [illegible] Conference Board's [illegible] confidence index to rise to 77.0.

But there was little selling [illegible] behind [illegible] dollar's decline and after London closed, the [illegible] currency rebounded.

The next major [illegible] dollar [illegible] not likely to [illegible] until the September employment report, released [illegible] October 4. Analysts are expecting a rise in the unemployment rate and little change in non-farm [illegible] employment.

Today sees the release [illegible] August durable goods figures. A decline of 4.5 per [illegible] is expected after July's 11.2 per cent increase. However, the durable goods report is *unlikely to* [illegible] *a major* impact on [illegible] dollar [illegible] it [illegible] widely regarded as [illegible] series.

[illegible] there is [illegible] unexpected upheaval [illegible] geo-political development the dollar is likely to remain trapped between DM1.6650 and DM1.6900, as dealers mark time before the employment report.

The [illegible] lower [illegible] *DM1.6685* [illegible] *DM1.6725*; [illegible] SFr1.4510 from SFr1.4590; [illegible] Y133.30; and at FFr5.6800 from FFr5.6975. The dollar's index closed unchanged at [illegible].

As the end [illegible] Japanese fiscal half year approaches, [illegible] and other investment institutions [illegible] to buy yen as profits are repatriated home. This supported the yen, which [illegible] against [illegible] currencies. The D-Mark slipped [illegible] Y79.19-29 from Y7[illegible].

The Swiss franc continued to be supported by the country's high interest [illegible] call [illegible] rose [illegible] just [illegible] 8 per cent, up [illegible] point, prompting [illegible] *D-Mark* to [illegible] to [illegible] from 87.07-18.

Within the European exchange rate mechanism, the D-Mark was steady [illegible] high German interest [illegible] also underpinned [illegible] dealing. But signs [illegible] inflationary [illegible] may be easing supported the credit markets and began [illegible] take some of [illegible] out of the mark.

Indications from the Spanish finance minister, Mr Carlos Colchaga, that interest rates may fall [illegible] the tight 1992 budget led to further selling of the pesata. The D-Mark closed [illegible] Pta63.14-16 from Pta [illegible].

Sterling was slightly weaker after an opinion poll put the Labour party ahead of the ruling Conservative party.

It was lower at DM2.9125 from DM2.9150; [illegible] from [illegible] at [illegible] from Y232.00; and [illegible] FFr9.9125 from [illegible] it rose to $1.7450 from $1.7440.

Sterling's [illegible] 0.1 [illegible] 91.0.

[illegible] IN NEW YORK

Sep 24	Latest	Previous Close
£ Spot	1.7385-1.7395	1.7430-1.7440
1 month	*0.78-0.76pm*	*0.73-0.73pm*
3 months	2.08-2.05pm	2.08-2.05pm
12 months	6.85-6.75pm	6.75-6.65pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Sep 24	Previous
8.30 am	[illegible]	91.1
9.00 am	[illegible]	91.1
10.00 am	[illegible]	91.1
11.00 am	90.9	91.2
Noon	[illegible]	91.2
1.00 pm	[illegible]	91.1
2.00 pm	91.0	91.1
3.00 pm	91.1	91.0
4.00 pm	[illegible]	91.1

CURRENCY MOVEMENTS

Sep 24	Bank of England Index	Morgan** Guaranty Changes %
Sterling	91.0	-20.5
U.S Dollar	64.5	-14.6
Canadian Dollar	106.0	+3.6
Austrian Schilling	109.3	+11.6
Belgian Franc	110.9	-2.3
Danish Krone	108.6	+3.1
D-Mark	117.5	+24.2
Swiss Franc	110.1	+18.5
Dutch Guilder	113.7	+15.7
French Franc	102.4	-13.5
Lira	98.7	-19.9
Yen	139.2	+71.9

Morgan Guaranty changes: average [illegible]=100. Bank of England Index (Base Average 1985=100). **Rates are for Sep 23

CURRENCY RATES

Sep 24	Bank % rate	Special* Drawing Rights	European† Currency Unit
Sterling	-	0.781347	0.702832
U.S Dollar	5.50	1.36267	1.22258
Canadian $	8.78	1.54568	1.38738
Austrian Sch	7.50	N/A	14.4081
[illegible]	[illegible]	[illegible]	[illegible]

* Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. All SDR rates are for Sep 23

OTHER CURRENCIES

Sep 24	£	$
[illegible]	[illegible]	[illegible]
Korea(Sth)	1281.10 - 1301.75	736.40 - 745.20
Kuwait	0.50000 - 0.50100	0.28885 - [illegible]
Luxembourg	59.95 - 60.05	34.35 - 34.45
Malaysia	4.7685 - 4.7765	2.7440 - 2.7460
Mexico	5320[illegible]	3055.00 - 3057.00
N Zealand	2.9730 - [illegible]	1.7080 - 1.7100
Saudi Ar	6.4870 - [illegible]	[illegible] - 3.7510
Singapore	[illegible] - 2.9450	[illegible]
S Af (Cm)	4.8910 - 4.9025	[illegible]
S Af (Fn)	5.3720 - 5.4565	[illegible]
Taiwan	46.10 - [illegible]	26.50 - [illegible]
U.A.E.	[illegible]	3.6715 - [illegible]

* Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Sep 24	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	129.259	-3.27	4.62	57
Belgian Franc	42.4032	42.1850	-0.51	1.72	28
D-Mark	2.05586	2.04757	[illegible]	1.61	30
Italian Lira	*1538.24*	*1532.44*	[illegible]	*1.58*	22
Dutch Guilder	2.31643	2.30786	[illegible]	1.58	22
Irish Punt	0.767417	0.766025	-0.18	1.38	11
Danish Krone	7.84195	7.90334	0.[illegible]	0.41	-31
Sterling	0.696904	0.702832	0.[illegible]	0.35	-17
French Franc	6.89509	6.97785	1.20	0.00	-62

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu, a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Sep 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7340 - 1.7490	1.7445 - 1.7455	0.77-0.75cpm	5.23	2.06-2.03pm	4.69
Canada	1.9665 - 1.9815	1.9805 - [illegible]	0.37-0.29cpm	2.00	0.96-0.81pm	1.79
Netherlands	3.2690 - 3.2870	3.2750 - [illegible]	½-¼cpm	1.37	¾-⅝pm	0.91
Belgium	59.70 - 60.10	59.95 - [illegible]	12-7cpm	1.90	27-9pm	1.20
Denmark	11.2125 - 11.2625	11.2425 - 11.2525	1¼-½orepm	0.87	1⅝-½pm	0.47
Ireland	1.0875 - 1.0975	1.0895 - 1.0905	0.05cpm-par	0.28	0.13-0.03pm	0.29
Germany	2.9090 - 2.9155	2.9100 - [illegible]	⅜-¼pfpm	1.29	⅞-⅝pm	1.03
Portugal	249.00 - 251.30	250.30 - [illegible]	27-63cdis	-2.15	174-266dis	-3.51
Spain	183.10 - 184.35	183.75 - 184.05	23-34cdis	-1.86	76-91dis	-1.82
Italy	2169.90 - 2181.50	2174.25 - 2175.25	par-2liredis	-0.55	5-7dis	-1.10
Norway	11.3705 - 11.4190	11.4075 - 11.4175	par-¾oredis	-0.39	¾-1¾dis	-0.44
France	9.8935 - 9.9395	9.9075 - 9.9175	1¼-1cpm	1.36	2¼-1⅞pm	0.83
Sweden	10.5860 - 10.6410	10.6275 - 10.6375	½-¼orepm	0.35	¼-1¾dis	-0.31
Japan	230.50 - 232.25	231.25 - 232.25	⅞-⅝ypm	3.88	2¼-2pm	3.56
Austria	20.41 - 20.52	20.48 - 20.51	3-1⅝gropm	1.43	4½-3¼pm	0.79
Switzerland	2.5275 - 2.5415	2.5275 - 2.5375	⅝-½cpm	2.37	1⅝-1¼pm	2.07
Ecu	1.4165 - 1.4255	1.4210 - 1.4220	0.10-0.04cpm	0.59	0.14-0.04pm	0.25

Commercial rates taken [illegible] the end of London trading. Six-month forward dollar [illegible] 12 Month 6.83-6.73cpm

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Sep 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7340 - 1.7490	1.7445 - 1[illegible]	0.77-0.75cpm	[illegible]	2.06-2.03pm	[illegible]
Ireland†	1.5915 - 1.6030	1.6020 - 1.6030	0.64-0.59cpm	[illegible]	1.86-1.76pm	[illegible]
Canada	1.1305 - 1.1350	1.1335 - 1.1345	0.29-0.32cdis	[illegible]	0.80-0.86dis	[illegible]
Netherlands	1.8780 - 1.8925	1.8785 - 1.8795	0.60-0.63cdis	[illegible]	1.78-1.83dis	[illegible]
Belgium	34.35 - 34.60	34.35 - 34.45	10.00-12.00cdis	[illegible]	30.00-35.00dis	[illegible]
Denmark	6.4340 - 6.4820	6.4425 - [illegible]	2.25-2.55oredis	[illegible]	6.65-7.25dis	-4.31
Germany	1.6625 - 1.6790	1.6680 - [illegible]	0.54-0.55pfdis	[illegible]	1.57-1.60dis	[illegible]
Portugal	143.75 - 144.55	[illegible]	83-93cdis	[illegible]	270-290dis	[illegible]
Spain	[illegible]	[illegible]	62-68cdis	-7.40	172-180dis	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EURO-CURRENCY INTEREST RATES

Sep 24	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long term Eurodollars: two years 6⅞-6⅝ per cent; three years 7-6⅞ per cent; four years 7⅜-7⅛ per cent; five years 7⅝-7⅜ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.745	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2175.	1.981	60.00	1.422
$	[illegible]	1	1.669	[illegible]	[illegible]	1.452	1.880	1246	[illegible]	[illegible]	0.815
DM	[illegible]	[illegible]	1	79.57	[illegible]	[illegible]	1.126	746.7	[illegible]	20.60	[illegible]
YEN	[illegible]	[illegible]	7.528	12.57	1000.	42.77	[illegible]	14.15	[illegible]	[illegible]	[illegible]
F Fr.	[illegible]	1.760	[illegible]	233.8	10.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S Fr.	[illegible]	[illegible]	1.150	91.51	3.914	1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
H Fl.	0.305	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1	663.1	0.604	18.29	[illegible]
Lira	0.460	[illegible]	[illegible]	[illegible]	[illegible]	1.165	1.508	1000.	[illegible]	27.59	0.654
C$	[illegible]	0.881	1.470	117.0	[illegible]	1.279	[illegible]	1098	1	[illegible]	[illegible]
B Fr.	[illegible]	2.908	[illegible]	[illegible]	[illegible]	4.222	5.467	3625	[illegible]	100.	[illegible]
ECU	[illegible]	1.227	[illegible]	[illegible]	[illegible]	1.781	[illegible]	1530	[illegible]	[illegible]	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: [illegible] Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS £50,000 64ths of 100%

LIFFE US TREASURY BOND FUTURES OPTIONS $100,000 64ths of 100%

LIFFE BUND FUTURES OPTIONS DM250,000 points of 100%

LIFFE EUROMARK OPTIONS

LIFFE EURODOLLAR OPTIONS $1m points of 100%

LIFFE SHORT STERLING OPTIONS

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT £50,000 32nds of 100%

US TREASURY BONDS 8% $100,000 32nds of 100%

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND

9% NOTIONAL ECU BOND ECU 200,000 100ths of 100%

12% NOTIONAL ITALIAN GOVT. BOND (BTP)

THREE MONTH STERLING £500,000 points of 100%

THREE MONTH EURODOLLAR $1m points of 100%

THREE MONTH EUROMARK DM 1m points of 100%

THREE MONTH ECU

THREE MONTH EURO SWISS FRANC

FT-SE 100 INDEX

FT-SE MID 250 INDEX

* Contracts traded on APT after trading hours

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

JAPANESE YEN (IMM) Y12.5m $ per Y100

DEUTSCHE MARK (IMM)

U.S. TREASURY BILLS (IMM) $1m points of 100%

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

BRITISH POUND (IMM) $ per £

STANDARD & POORS 500 INDEX

SWISS FRANC (IMM) SFr 125,000 $ per SFr

PHILADELPHIA SE £/$ OPTIONS

PARIS

7 TO 10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

CAC-40 FUTURES (MATIF) Stock Index

ECU BOND (MATIF)

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	106.76	[illegible]74	+0.02	106.90	106.72	8.95	2,190
December	106.68	106.68	-	[illegible]	106.64	8.96	4,323

Estimated volume 2,257 Total Open Interest 7,035

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls December	Calls March	Calls June	Puts December	Puts March	Puts June
104	-	-	-	0.08	-	-
105	2.00	-	-	0.18	0.54	-
106	1.25	-	-	0.42	0.87	-
107	0.68	1.13	-	0.80	-	-
Open int	98,712	32,760	2,150	80,829	[illegible]	7,650

Estimated volume 15,524 Total Open Interest 256,311

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	[illegible]	[illegible]	12-mth.
1.7450	1.7374	[illegible]	[illegible]	1.6772

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	Midland Bank	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Mount Banking	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	NatWestminster	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	Northern Bank Ltd	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Nykredit Mortgage Bank	11.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Provincial Bank PLC	14
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Roxburghe Bank Ltd.	11.5
Bank of Cyprus	10.5	First National Bank Plc	14	Royal Bk of Scotland	10.5
Bank of Ireland	10.5	● Robert Fleming & Co.	10.5	● Smith & Williamson Secs.	10.5
Bank of India	11	Robert Fraser & Ptnrs.	11	Standard Chartered	10.5
Bank of Scotland	10.5	Girobank	10.5	TSB	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	Unibank plc	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	● United Bk of Kuwait	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	Unity Trust Bank Plc	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk.	10.5	Western Trust	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Westpac Bank Corp.	10.5
CL Bank Nederland	10.5	C. Hoare & Co.	10.5	Whiteaway Laidlaw	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Yorkshire Bank	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	● Members of British Merchant Banking & Securities Houses Association.	
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5	McDonnell Douglas Bnk.	10.5		

MONEY MARKETS

UK rates steady

LONDON money rates [illegible] steady [illegible] as sterling slipped slightly against the US dollar and the Bank of England kept the [illegible] of liquidity.

But turnover [illegible] low with [illegible] fresh [illegible] influence dealing. The £1.5bn gilt auction today helped prevent [illegible] slipping far, although being [illegible] partly paid [illegible] it is unlikely to drain much liquidity.

The lastest opinion poll, which put the Labour party slightly ahead, [illegible] early [illegible] in sterling and the *futures market, and helped* [illegible] underpin [illegible].

UK clearing bank [illegible] rate
10.5 per cent
from September 4

The actions [illegible] the Bank of England also provided support after it [illegible] market £100m short in its daily open [illegible] operations. The Bank purchased £850m [illegible] bills against an estimated [illegible].

All the Bank's bill purchases were in bands 1 and 2 at unchanged [illegible] of [illegible] per [illegible].

Money dealers said they believed the Bank was sending a message to the market that it did not want an early reduction in [illegible] rates, which currently stand at *10½* per [illegible].

The [illegible] remains divided over the timing of the [illegible] cut in interest rates, although more dealers [illegible] believe there will be no [illegible] reduction, particularly with [illegible] showing [illegible] recovering from recession.

Three-months money closed at 10$\frac{5}{16}$-$\frac{3}{16}$ per cent, down $\frac{1}{16}$, which implies no immediate [illegible] cut; six [illegible] was steady at 10$\frac{3}{16}$ [illegible] cent; and twelve [illegible] was unchanged [illegible] 10$\frac{3}{16}$-⅛ [illegible].

Trading in the futures market [illegible] busier as dealers [illegible] to [illegible] early weakness in sterling and the [illegible] opinion poll. December short sterling dropped [illegible] points to 90.10, implying an [illegible] rate [illegible] per cent by the year-end.

In Frankfurt money rates *eased slightly* [illegible] *the market* waited for the Bundesbank [illegible] allocate new funds in a regular tender for securities repurchase funds.

Call money slipped to [illegible] per [illegible] from [illegible]. Banks are expected to bid [illegible] repurchase funds at nine per cent, unchanged from recent allocations for one month funds.

Analysts were uncertain whether the Bundesbank would [illegible] the expiring DM10.3bn facility in full.

The Bundesbank also [illegible] tender for 28-day repurchase funds. The results of both *tenders are due today.*

FT LONDON INTERBANK FIXING

(11.00 a.m. Sep 24) 3 months US dollars		6 months US Dollars	
bid 5⅝	offer 5¾	bid 5¾	offer 5⅞

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK Treasury Bills and Bonds

Lunchtime

Prime rate	8	One month	5.20	Three year	6.39
[illegible] loan rate	7¾	Two month	5.30	Four year	6.58
[illegible]	5⅝	Three month	5.33	Five year	7.04
Fed. funds at intervention	-	Six month	5.44	Seven year	7.36
		One year	5.52	10-year	7.55
		Two year	6.13	30-year	7.88

Sep 24	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	8.90-9.00	8.95-9.10	9.00-9.15	9.05-9.20	9.20-9.35	9.25
Paris	9⅛-9¼	9⅛-9¼	9¼-9⅜	9⅛-9¼	9⅜-9½	9.25
Zurich	7¾-7⅞	8-8¼	-	8-8¼	-	-
Amsterdam	9.00-9.15	9.13-9.18	-	9.25-9.30	-	-
Tokyo	6$\frac{13}{16}$-6⅞	6$\frac{13}{16}$-6$\frac{15}{16}$	-	6$\frac{13}{16}$-6$\frac{15}{16}$	-	-
Milan	10¾-11	11⅜-11⅝	-	11⅝-11⅞	-	-
Brussels	9.12-9.25	9⅛-9⅜	-	9¼-9½	-	-
Dublin	10-10¼	10-10¼	10$\frac{1}{16}$-10$\frac{3}{16}$	10$\frac{1}{16}$-10$\frac{3}{16}$	10$\frac{1}{16}$-10$\frac{3}{16}$	-

LONDON MONEY RATES

Sep 24	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
[illegible] Offer	10¾	10¾	10$\frac{11}{16}$	10⅜	10¼	10$\frac{3}{16}$
Interbank Bid	10	10½	10$\frac{9}{16}$	10¼	10⅛	10$\frac{1}{16}$
Sterling CDs	-	-	10$\frac{17}{32}$	10$\frac{5}{16}$	10$\frac{3}{16}$	10⅛
Local Authority Deps.	10⅝	10$\frac{9}{16}$	10$\frac{9}{16}$	10$\frac{5}{16}$	10$\frac{3}{16}$	10⅛
Local [illegible] Bonds	-	-	-	-	-	-
Discount Mkt Deps.	10⅝	10$\frac{9}{16}$	-	-	-	-
Company Deposits	-	-	10$\frac{11}{16}$	10$\frac{13}{32}$	10⅜	10¼
Finance House Deposits	-	-	10⅝	10⅜	10¼	10$\frac{3}{16}$
Treasury Bills (Buy)	-	-	10⅜	9$\frac{15}{16}$	9¾	-
Bank Bills (Buy)	-	-	10¼	[illegible]	[illegible]	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs	-	-	5.50	5.47	5.65	5.80
SDR Linked Dep. Offer	-	-	7⅜	7¼	7⅜	7⅜
SDR Linked Dep. Bid	-	-	7$\frac{3}{16}$	7⅛	7$\frac{3}{16}$	7¼
ECU Linked Dep. Offer	-	-	9¾	[illegible]	9⅝	9$\frac{11}{16}$
ECU Linked Dep. Bid	-	-	9⅝	[illegible]	9½	9$\frac{9}{16}$

Treasury Bills (sell); one-month 10$\frac{1}{16}$ per cent; three months 9$\frac{13}{16}$ per cent; six months 9¼ per cent; Bank Bills (sell): one-month 10$\frac{1}{16}$ per cent, three months 9$\frac{13}{16}$ per cent; Treasury Bills; Average tender rate of discount 9.6695 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day August 30, 1991. Agreed rates for period Sept. 25, 1991 to October 25, 1991, Scheme I: 12.08 p.c., Schemes II & III: 12.17 p.c. Reference rate for period August 1, 1991 to August 30, 1991, Scheme IV&V: 10.950 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from September 1, 1991. Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 7 per cent, one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent; nine-twelve months 9 per cent. Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

JOTTER PAD

CROSSWORD

No.7,655 Set by CINEPHILE

There may be grounds for addition to solutions marked *

ACROSS

1 Look! transport has no pact with town (7)
5 Just the type that needs a cooler top storey, say? (7)
9 * Inflation is very good (5)
10 ** Defeat scheme for arrangement of rooms (5,4)
11 ** Draft of record of effect of hot skewer (4,5)
12 * Shrub in church (5)
13 * Splits payments (5)
15 * Chance it, possibly, left with exactitude rather than justice? (9)
18 Father eats bird, sign of future events (9)
19 * Drug well short of flower (5)
21 Cut fruit (5)
23 Former African country or seaside (4,5)
25 Misplaced raid gains nothing: nuts to serial support! (5,4)
26 Flower girl in the orchestra (5)
27 * Tennis shots by swimmers or rowers (7)
28 Listener at French city near the start (5,2)

DOWN

1 Previous troule with salt, cooked, not cooked up [illegible]
2 Approval for removal? (8)
3 * Is in charge of regulations (5)
4 A bit odd of football club to have incomplete access (3-6)
5 * Jack's disappointment (5)
6 Feelers when courage fails? (5,4)
7 Slated for wearing a hat? (5)
8 * Run from tower? (7)
14 ** Nothing fresh held by bird in masonry (9)
16 Apple queen? (9)
17 Turn to Mr Carey for a fiery finish? (9)
18 Paper plant supplies bread and milk to leaderless Persian (7)
20 I ranted terribly in move down to platform (7)
22, 23 ** Gun splashed with red found by girl in a frame (5,5)
24 * Guard with remainder of 100? (5)

Solution to Puzzle No.7,654

[illegible]

هكذا من الأصل

WORLD STOCK MARKETS

AUSTRIA

September 24	Sch.	+ or −
Austrian Airlines	2,750	−20
Creditanstalt	553	−1
EA General	3,460	+5
EVN	843	+3
Jungbunzlauer	10,030	+10
Laenderbank	1,020	.....
DeMV	1,005	+5
Perlmooser Zement	1,720	−15
Radex Heraklith	750	−1
Reininghaus Brau	1,700	−130
Steyr Daimler	348	.....
Veitscher Magnesit	451	.....
Verbund (Br) A	521	+10
Wienerberger	5,490	+10

BELGIUM/LUXEMBOURG

September 24	Frs.	+ or −
ACEC-Union Min	2,055	−65
Arbed	4,410	+40
BBL	2,700	.....
Bank Intl a Lux	10,750	−50
Banq Gen Lux Pts	12,250	.....
Barco	952	−10
Bekaert	9,750	−50
CBR Ciment	7,800	−50
Cobepa	4,930	−10
Cobepa AFV 1	4,870	.....
Cockerill Priv	162	−2
Colruyt	3,795	−65
Delhaize Frs Lion	7,680	−70
Electrabel	4,460	−75

FRANCE (continued)

September 24	Frs.	+ or −
Beghin-Say Cert Inv	480	−1
Bongrain	2,340	−30
Bouygues	602	−5
CGIP	1,085	+15
C M B Packaging	153.50	+4
Canal+	1,086	+14
Cap Gemini S	296.50xr	+0.50
Carrefour	2,095	+14
Casino	152.50	+0.50
Cetelem	615	+2
Chargeurs	896	−1
Club Mediterranee	450	+1
Cogifi	325	.....
Coparex	590	+9
C C F	178	−0.30
Cr Fonc France	1,105	−44
Cred Lyon (CI)	494	−5.80
Credit National	1,189	.....
Damart	2,190	+1
Docks de France	381	−4
Dollfus Mieg Cie	335	.....
EBF	740	−10
Eaux Cie Genl	2,474	+5
Ecco	399	+4
Elf-Aquitaine	402.10	−0.90
Elf-Aquitaine Certs	262	−7
Essilor Int	326.50	−6.50
Etex	1,900	.....
Eurafrance	1,565	−4
Eurocom	824	+12
Euro Disney	139	−0.50
Exor	1,250	.....
Finextel	127.20	+0.20
Fonc Lyonnaise	595	.....

INDICES

NEW YORK

DOW JONES	Sep 23	Sep 20	Sep 19	Sep 18	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3010.51	3019.23	3024.37	3017.89	3055.23 (28/8)	2470.30 (9/1)	3055.23 (28/8/91)	41.22 (2/7/32)
Home Bonds	96.60	96.62	96.48	96.56	96.62 (20/9)	91.30 (16/1)	96.62 (20/9/91)	54.99 (1/10/81)
Transport	1183.00	1187.24	1181.24	1174.19	1261.89 (3/6)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	208.51	208.19	208.00	208.25	220.89 (16/4)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 3037.79 (3045.59) Low 2997.76 (3002.46)

STANDARD AND POOR'S

	Sep 23	Sep 20	Sep 19	Sep 18	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	385.91	387.92	387.56	386.94	396.64 (28/8)	311.49 (9/1)	396.64 (28/8/91)	4.40 (1/6/32)
Industrials	457.04	459.47	459.41	458.04	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	31.44	31.70	31.52	31.32	32.24 (14/8)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	212.02	212.98	212.74	212.23	217.17 (28/8)	170.97 (9/1)	217.17 (28/8/91)	4.46 (25/4/42)
Amex Mkt. Value	370.11	370.60	368.68	367.15	373.40 (18/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	524.69	527.19	522.67	518.55	527.19 (20/9)	355.75 (14/1)	527.19 (20/9/91)	54.87 (31/10/72)

	Sep 20	Sep 13	Sep 6	year ago (approx.)
Dow Industrial Div. Yield	3.04	3.07	3.04	4.03
	Sep 18	**Sep 11**	**Sep 4**	**year ago (approx.)**
S & P Industrial div. yield	2.73	2.74	2.70	3.29
S & P Indl. P/E ratio	21.15	21.01	21.33	15.12

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
AT & T	2,220,500	38¾	+ ⅜
Salomon	2,149,000	21⅞	- ⅛
Waste Mngmt.	2,062,100	35⅞	- 1⅛
Pepsico	1,859,200	29⅞	...
Telefonos	1,401,900	36¾	- 1⅛
Comwlth. Ed.	1,382,000	40½	+ ⅛
Bk.of Boston	1,232,800	9⅞	- 1⅛
Gen. Motors	1,178,200	36⅛	+ ⅛
Phillip Morris	1,084,100	72⅛	- ⅜
GTE Corp.	1,083,900	28⅞	- ⅜

TRADING ACTIVITY

† Volume Millions	Sep 23	Sep 20	Sep 19
New York SE	145.530	241.340	210.770
Amex	11.456	18.309	13.882
NASDAQ	158.850	226.511	206.941
NYSE			
Issues Traded	2,097	2,102	2,113
Rises	680	917	897
Falls	898	632	657
Unchanged	549	553	559
New Highs	90	126	123
New Lows	18	18	19

CANADA

TORONTO	Sep 23	Sep 20	Sep 19	Sep 18	1991 HIGH	1991 LOW
Metals & Minerals	2873.74	2894.73	2915.43	2919.88	3299.99 (18/7)	2632.06 (9/1)
Composite	3396.61	3407.17	3411.93	3418.48	3582.07 (7/6)	3161.95 (15/1)
MONTREAL Portfolio	1809.25	1811.19	1815.06	1820.30	1903.06 (7/6)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Sep 24	Sep 23	Sep 20	Sep 19	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1555.4	1562.9	1562.6	1557.70	1591.3 (7/8)	1204.5 (16/1)
All Mining (1/1/80)	645.5	648.6	640.0	646.6	707.2 (24/7)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	459.72	460.01	464.09	466.87	534.81 (16/4)	398.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1095.30	1105.52	1113.73	1113.44	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	362.05	362.12	364.38	365.35	388.04 (2/8)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	885.7	889.1	897.4	897.6	1106.9 (8/4)	890.5 (23/1)
FRANCE						
CAC General (31/12/82)	495.32	496.94	495.25	493.17	496.67 (17/9)	394.88 (15/1)
CAC 40 (31/12/87)	1865.23	1868.35	1865.49	1860.36	1865.49 (20/9)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	668.66	667.43	666.97	671.29	717.43 (17/6)	570.46 (15/1)
Commerzbank (1/12/53)	1881.30	1878.70	1878.60	1891.00	2035.2 (31/5)	1612.5 (15/1)
DAX (30/12/87)	1626.63	1614.16	1616.07	1628.70	1715.80 (11/6)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3904.19	(c)	3910.34	3863.68	4079.01 (14/8)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1442.46	1453.48	1462.84	1470.00	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	543.34	544.22	549.83	554.67	619.38 (3/6)	486.36 (29/1)
JAPAN						
Nikkei (16/5/49)	23333.70	(c)	23192.74	23332.31	27146.91 (18/3)	21456.76 (19/8)
Tokyo SE (Topix) (4/1/68)	1797.62	(c)	1788.02	1795.81	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	2786.30	(c)	2792.03	2785.32	3423.45 (10/5)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	521.03	520.57	(c)	524.20	635.01 (29/5)	470.41 (16/1)
NETHERLANDS						
CBS Tll.Rtn.Gen.(End 1983)	276.5	277.8	279.6	280.5	284.8 (5/6)	221.4 (16/1)
CBS All Shr (End 1983)	194.5	195.4	196.7	197.3	203.1 (5/6)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	740.58	748.83	754.89	752.15	793.53 (26/8)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	956.59	912.75	905.28	907.01	1183.40 (29/5)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	377.21	379.47	378.08	379.98	422.43 (26/4)	315.87 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1154.00	1129.0	1135.0	1145.0	1469.0 (5/7)	971.0 (25/2)
JSE Industrial (28/9/78)	4150.00	4171.0	4177.0	4195.0	4237.0 (10/9)	2829.0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	683.93	(c)	689.04	683.70	763.10 (6/8)	590.57 (22/6)
SPAIN						
Madrid SE (30/12/85)	277.46	278.12	276.61	272.99	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1067.00	1069.20	1071.30	1076.10	1149.8 (11/7)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	744.8	746.5	748.4	746.8	789.2 (29/8)	590.4 (24/1)
SBC General (1/4/87)	611.1	614.3	616.8	615.8	638.0 (31/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	4804.19	(c)	4653.27	4593.32	6305.22 (9/5)	3316.26 (15/1)
THAILAND						
Bangkok SET (30/4/75)	695.24	704.84	712.50	703.86	908.13 (19/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) (3)	511.3	510.1	508.5	509.4	529.2 (17/4)	439.1 (16/1)

**Saturday September 21: Taiwan Weighted Price: 4741.45 Korea Comp Ex. (c)
♦ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE 25 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Tuesday 24 September 1991

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Meiji Seika	10,229	1,280	-60	Mitsui Shipbldg	4,521	630	+ 15
Honshu Paper	6,636	807	-53	Hitachi Zosen	4,328	697	+ 17
Toray Ind.	6,665	673	+ 18	Nippon Carbon	4,114	1,740	-290
Nippon Steel	5,490	418	+ 5	Clarion	4,043	1,220	-80
Mitsubishi Heavy	5,111	749	+ 8	Kawasaki Heavy	3,948	575	+ 25

3:00 pm prices September 24

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

[illegible]

- B -

[illegible]

- C -

[illegible]

- D -

[illegible]

- E -

[illegible]

- F -

[illegible]

- G -

[illegible]

- H -

[illegible]

- I -

[illegible]

- J -

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- K -

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- L -

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- M -

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- N -

[illegible]

- O -

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- P - Q -

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- R -

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- S -

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NYSE COMPOSITE PRICES

Continued from previous page

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
37	20⅞	SPS Techno x	1.28	0.05	11	55	25⅛	25⅛	25	
2⅞	⅛	SaatchiA&S	0.19	0.23	0	232	⅞	⅞	⅞	-⅛
13	11	Sabine Rlt x	1.32	0.11	7	38	12⅞	12⅞	12⅞	
9⅞	5⅞	Safecard	0.15	0.02	7	120	8⅞	8⅞	8⅞	-⅛
13⅞	8⅞	Safeg'd Sc			3	28	11⅞	11⅞	11⅞	
37	25	SafetyKln	0.32	0.01	27	602	28	27⅞	28	
21⅞	11⅞	Safeway			18	718	17⅞	17⅞	17⅞	
4⅞	2⅞	SafewayW96				124	4	3⅞	3⅞	-⅛
35⅞	26⅞	StJoePaper	0.20	0.01	35	101	31⅞	31⅞	31⅞	
34⅞	26⅞	StJosL&P y	1.68	0.05	12	60	32⅞	32⅞	32⅞	-⅛
4⅛	1½	Salant Crp			0	3	3⅛	3⅛	3⅛	
69⅛	43⅞	Sallie Mae	0.80	0.01	19	1613	63⅞	62½	62⅞	-⅞
13⅞	10⅞	Salomon Br	0.60	0.04		333	13⅞	13⅞	13⅞	
37	21⅞	Salomonlnc x	0.64	0.03	5	1468	22⅞	d20⅞	22⅞	+⅞
45⅞	37⅞	SanDgo G&E	2.80	0.07	11	418	41⅞	41⅞	41⅞	
4⅞	2⅞	SantaFeEDs x	0.40	0.13	20	26	3⅛	3⅛	3⅛	-⅛
16⅞	10⅞	SantaFeEls x	0.16	0.01	24	771	12	11⅞	11⅞	+⅛
33½	25	SantaFePac	2.65	0.08	10	46	32⅞	32	32½	+⅞
10⅞	5⅞	SantaFeSth				4521186	9⅞	9⅞	9⅞	+⅛
45⅞	29⅞	Sara Lee	0.94	0.02	20	2687	43½	42⅞	43½	+⅛
⅞	⅛	Savin Corp			0	681	0.08	d⅛	0.08	+0.02
7⅞	1⅞	Savin 0.30	0.60	0.38		31	2⅛	2⅛	2⅛	-⅛
40½	33½	Scana Corp	2.62	0.07	8	85	39⅛	38⅞	39⅛	+⅛
44⅞	35	Scecorp	2.72	0.06	11	5671	44⅞	44⅛	44⅛	-⅛
58⅞	49⅞	ScheringPl	1.32	0.02	20	3017	56⅞	55⅞	56⅞	-⅞
74	50½	Sch'berger	1.20	0.02	26	5225	67	65⅛	67	+1⅞
31⅛	11⅞	Schwab(C)	0.20	0.01	27	566	30⅞	29⅞	30⅛	-⅞
8⅞	3⅞	Schwitzer			14	101	7⅞	7⅞	7⅞	
17⅞	11½	ScientAtln	0.16	0.01	25	92	13⅞	12⅞	13	+⅛
9⅞	6⅛	Scotman	0.10	0.01	11	10	7	7	6⅞	
46⅞	35⅞	ScottPaper	0.80	0.02	38	1193	37⅞	37⅛	37⅞	+⅛
16⅞	11⅞	ScudrNAsF	0.58	0.04		23	15	15	15	-⅛
10⅞	7⅞	ScudrNEuF	0.25	0.03		118	9	8⅞	9	
28½	19⅞	Sea Cont			10	445	21⅞	21½	21½	-½
15½	13½	SeaCt 4625	1.46	0.10		6	15	14⅞	14⅞	-⅛

- X - Y - Z -

1991 High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21½	14⅛	Xtra 1.94				13	21⅞	21⅞	21⅞	
24⅞	14⅛	Xtra Corp	0.72	0.03	80	27	24	23⅞	24	+½
24⅞	21⅞	Yankee Egy	1.80	0.05	11	50	u25	24⅞	25	+⅛
1½	⅞	Zapata			2	33	⅞	⅞	⅞	
9⅞	6½	ZenithElec			1	118	5⅞	5⅞	5⅞	
18½	12	Zenith Nat x	1.00	0.06	91	107	15⅞	15⅛	15½	-⅛
8⅛	4⅞	Zenix Inc x	0.84	0.14		141	6⅛	6	6⅛	+⅛
15⅛	10⅞	Zero Corp	0.40	0.03	17	65	14⅞	14½	14½	-⅛
41½	29½	Zurn Ind	0.88	0.03	13	445	34½	33⅞	33⅞	-1
13½	10⅛	Zweig Fund	1.12	0.09		275	12⅛	12⅛	12⅛	
10⅛	8½	Zweig Totl	0.96	0.10		407	10⅛	10	10	-⅛

Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full

AMEX COMPOSITE PRICES

3:00 pm prices September 24

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Pegasus G		6	530	10½	10⅛	10½	+⅛
Perini		6	25	9⅞	9⅞	9⅞	-⅛
Pit H&P x	0.31	12	2	9⅞	9⅞	10	+⅛
Phil LD	0.17	8	376	20⅛	19⅞	20	+½
Pitney A	0.70	9	211	22½	22½	22½	+⅛

NASDAQ NATIONAL MARKET

3:00 pm prices September 24

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		39	2066	u31⅞	31	31½	+½
XL Data		34	13	11½	11½	11½	
Xoma Corp		9	3143	17⅛	16⅞	17	
Yellow Fr	0.94	16	190	30	29⅞	30	
York Rsch		57	1563	7⅛	6⅞	6⅞	-⅛
ZionsUtah	1.44	9	36	47½	46½	46½	

FINANCIAL TIMES

Wednesday September 25 1991

AMERICA

Equities mired as consumer trend weakens

Wall Street

FOR THE second consecutive day, share prices traded in a narrow range yesterday morning, as demand for equities was hampered by news of weakening consumer confidence, *writes Patrick Harverson in New York.*

By 1 pm the Dow Jones Industrial Average was up 2.24 at 3,012.75, having spent most of the morning in negative territory. The more broadly based Standard & Poor's 500 was slightly easier, down 0.42 at 385.50, while the Nasdaq composite of over-the-counter stocks, still troubled by a sell-off in the biotechnology sector, eased 0.40 to 524.29. Turnover on the New York SE was 95m shares.

Market sentiment remained shaky, with some investors placing their hopes in another interest rate cut by the Federal Reserve, but others more concerned about the feeble state of the economy. Yesterday's report of a decline in the Conference Board consumer confidence index for September underlined the fact that Americans have yet to respond to the putative economic recovery with a significant shift in expectations or spending.

US West featured with a decline of $1⅞ to $35⅝ in volume of more than ¾m shares. The regional telecommunications group warned that second half earnings would be lower than last year.

Elsewhere in the telecoms sector, Metro Mobile, the cellular phone system operator, jumped $1⅞ to $21 after it agreed to a $1.65bn bid from Bell Atlantic, which also agreed to assume $800m of Metro debts. Bell Atlantic fell $1⅝ to $46⅞.

AT&T slipped $¼ to $38 in active trading as the company announced that it was introducing cordless telephone products for small businesses.

General Dynamics climbed $2¼ to $44. The opening of trading in the stock was delayed by an order imbalance on the buy side. The stock was in demand after it was reported that PaineWebber, the broking house, had made positive comments about the company and that another broker, Goldman Sachs, had raised its profits forecast.

Under a new agreement Computer Sciences Corporation has agreed to pay General Dynamics $200m for facilities, equipment, software and services in a 10-year link up between the two, and some analysts believe that the defence contractor may use that money to buy back some of its own stock.

On the over-the-counter market, Compression Laboratories climbed $2⅛ to $21⅛ on the news that US Sprint's newly formed videoconferencing unit will resell products supplied by Compression.

Biotechnology stocks again succumbed to selling pressure. Amgen fell $1⅝ to $55¼, Chiron dropped $3⅛ to $65⅛, Centocor gave up $1 to $51 and Sonatogen slipped $⅞ to $33⅞. Some investors have been shifting funds out of the sector on the advice of brokers, who believe biotechnology issues may have been overbought.

Advanced Telecommunications fell $⅝ to $16⅞ after the company warned that earnings for the second quarter, ending September 30, would be 10 cents to 15 cents a share below the 33 cents a share earned at the same stage a year earlier.

Canada

EQUITIES continued to fall in Toronto yesterday. By midday the composite index was down 11.3 at 3,385.3. Declining issues led advances by 236 to 148, and volume was 12m shares valued at C$135m.

Seagram tumbled C$2¼ to C$120⅞, but recovered from a day's low of C$119¼, on reports that Seagram had dismissed the top two officials at its Tropicana unit.

Magna class A shares gained C$1¼ to C$14⅞. Analysts raised their 1992 earnings estimates, after the auto parts maker reported a fourth quarter profit of 31 cents a share, compared with a loss the year earlier of 76 cents a share.

Foreign investment in Mexico hits record

By Damian Fraser in Mexico City

FOREIGN investment in Mexican stocks reached a record $13.6bn in August, compared with just $4bn at the end of January, reflecting the continued confidence in Mexico's economy and the stock market's 114 per cent rise since the start of the year.

Investment in New York-listed American depository shares (ADSs) amounted to $9.8bn at the end of August, of which $8.9bn was invested in Telmex, the telephone monopoly which made a $2bn international share offering last May. At the end of January, investment in ADSs was $2bn.

Another $1.95bn was invested in "free" shares (those open to foreigners), compared with $1bn at the end of January, while $1.34bn was invested in the Nafin trust, which invests in shares not directly open to foreigners, against $680m at the end of January.

Foreign investment is likely to increase in the coming months as Mexican companies take advantage of the favourable climate to issue stock. In the next two weeks Grupo Carso, which controls Telmex, hopes to issue $250m of ADS stock, Mexico's second-largest stock offering after Telmex.

Televisa, the television company, is expected to make an initial public offering of $400m to $500m by the end of the year. According to the state-run news agency *Notimex*, another nine companies will soon make international stock offerings.

These include conglomerates such as Sidek, expected to make an offering of $80m to $100m; Grupo Desc, of $200m; Alfa, of $50m to $150m; and Vitro, Mexico's largest conglomerate, of $200m.

SOUTH AFRICA

GOLD SHARES were boosted by a rally in bullion prices, rising silver prices and a weak dollar. The all-gold index rose 25 or 2.2 per cent to 1,154 while the industrial index slipped 21 to 4,150, leaving the overall index 4 higher at 3,406.

Europe's tyre companies find a following

The industry lacks obvious attractions, but it is certainly eventful, writes **Peter John**

EUROPEAN tyre companies are comparable to steam trains. They are large, cumbersome and inefficient, with very little going for them at the moment. But everyone seems to like them.

The reaction to yesterday's interim results from Michelin, in France, is a case in point. The company is saddled with heavy debt, which with the *cost of redundancies pushed its* 1991 first-half net attributable loss to FFr1.06bn. Nevertheless, the figures were better than feared and the shares touched a 1991 intraday high of FFr131.50 yesterday.

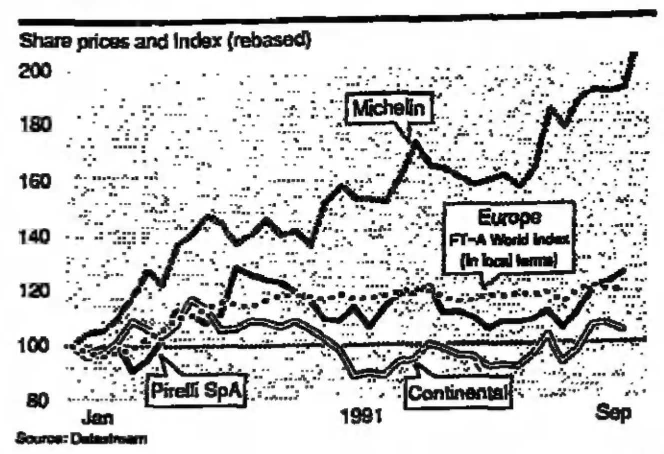
Continental, of Germany, may have drifted off a little, but it was the best performing stock in Frankfurt in August. Pirelli SpA, said to be preparing a merger with Conti, brought summer sunshine to a bleak Milan market, while Pirelli Tyre Holding, its Dutch-quoted subsidiary, was firm.

The industry pick-up started a year ago, but received a healthy boost in mid-August when the big players increased the price of their replacement tyres. Pirelli and Conti are further buoyed by hopes of a merger, which were sparked by initial proposals made at the end of last year by Pirelli SpA.

All three companies have been lifted by continuing hopes of a turning point in the European recession and they certainly have ground to recover. Conti's share price is languishing around the low DM220 ($126) level, against the mid-*DM300s in 1987.*

Pirelli Tyre Holding, which most closely represents the fortunes of the Italian group's tyre operations, has fallen from Fl 55 ($28) since it was first quoted in Amsterdam in July 1989. Michelin may be above the depreciatory FFr50 ($8.47) of last year, but is still a long way below the FFr390 it commanded in early 1987.

Several analysts remain baffled by the relative popularity of the French group's shares. One said: "If Michelin was the last share on earth, people would buy it because they need to buy something, but otherwise there are many more attractive shares around." Indeed, James Capel has placed the company on its list of "least favoured shares" in this month's automotive review.



However, Mr Keith Hayes of Paribas Capital Markets takes a more sanguine view. "Despite all of its problems, Michelin is still the world's number one and also a classic recovery play. It cannot be dismissed."

Pirelli NV is another mystery. It concentrates on the premium end of the car market and has therefore been hit particularly severely by recession. It has also suffered aggressive competition from Michelin, and shares the common problem of restructuring costs. Yesterday both Pirelli NV and Pirelli SpA forecast significant losses for the full year in 1991. However, both in the Netherlands and in Italy, their shares have been strong performers.

Conti, which initially rejected Pirelli's advances but now appears more amenable following the departure of its former management board chairman Mr Horst Urban last May, has drifted off slightly this month. Although it announced a half-year profit in August, it has signalled a loss for the full year.

The question mark hanging over the results of all three companies is the extent of restructuring costs they will announce. However, the prospects for future growth depend on external factors – the easing of recession, an improvement in trading margins and more advantageous commodity prices.

"Whether they are emerging will depend on the state of the original equipment market next year and whether the price increase in the replacement market sticks," says Mr Hayes.

After a difficult period, the European tyre industry appears to be back on track. Mr Philip Ayton of BZW says: "The price of raw materials is going in their favour and they are making a concentrated effort to get back in the black."

EUROPE

Mannesmann boosts Frankfurt in late revival

THERE WAS a revival of interest in Germany yesterday, as most other bourses were weak or little changed, *writes Our Markets Staff.*

FRANKFURT saw Mannesmann end DM10 higher at DM268.70 in a late rally, after the EC approved its acquisition of a majority of Boge, the shock absorber manufacturer, and on news that the German telephone authority had backed down in a fight about fees to be charged for mobile telephone systems.

The DAX index ended 12.47 higher at 1,636.63 after a rise of only 1.25 to 668.68 in the FAZ at midsession. Other steels showed good rises, extending their relative strength of the past two weeks. The industry association, BDS, said this week that demand for steel in Germany is expected to increase by 2 per cent both this year and next.

Volume grew from DM2.9bn to DM4.1bn. Utilities, which were the strongest sector last week according to Merck Finck, also extended their gains, RWE leading with a rise of DM5 to DM387.

FT-SE Eurotrack 100 - Sep 24

Hourly changes

Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1109.49	1109.80	1109.35	1109.87	1110.77	1111.55	1111.68	1110.65

Day's High 1112.16 Day's Low 1108.33

Sep 23	Sep 20	Sep 19	Sep 18	Sep 17
1111.18	1114.51	1113.95	1111.91	1115.57

Base value 1000 (26/10/90).

PARIS ended slightly lower after 1991 highs in six of the previous seven sessions. The CAC 40 index recovered from a day's low of 1,877.52, to close 3.12 down at 1,885.23. Turnover was moderate at about FFr1.8bn, up from FFr1.5bn.

The best performance was by Sefimeg, a property leasing company, which jumped FFr29.50 or 6.7 per cent to FFr469.50 in heavy volume of 299,000 shares. There was speculation in the market that one of Sefimeg's leading shareholders was increasing its stake, although one analyst also pointed out that the shares were not expensive on a fundamental basis. Even after yesterday's rise, they were still trading at a substantial discount to the net asset value of about FFr700.

Saint-Gobain, the glass-maker, fell FFr12.10 to FFr480.50, following its strength in recent weeks. The share price has outperformed the market by 10 per cent in the past three months.

Michelin finished 10 centimes lower at FFr128 after announcing a first-half loss in line with expectations. The shares moved between a year's high of FFr131.50 and FFr126.10. Volume was strong at 514,000 shares.

MILAN was supported by Montedison, which rose 3 per cent on the $827m sale of its stake in the Ja/Mont paper venture. The Comit index eased 0.86 to 543.34 in turnover near Tuesday's thin L71bn.

Montedison was officially fixed L11 lower at L1,189, but rose to L1,225 later in the day. *Ferruzzi Finanziaria* also benefited from Montedison's news, rising L9 to L1,961.

The tyre and cable maker, *Pirelli, eased L18 to L1,910* before announcing that it expected a significant loss for the full year.

BRUSSELS was depressed by selling by small investors and corporate results. The Bel20 index shed 10.22 or 0.9 per cent to 1,085.30 in active trading of BFr699m. Société Générale de Belgique fell BFr50 to BFr2,195 after disappointing results from subsidiary companies, including Gechem, which saw its ordinary shares lose BFr10 to BFr596.

AMSTERDAM gave up small early gains to close mixed as Wall Street opened on a weak note. The CBS Tendency index closed 0.1 lower at 90.6.

PolyGram, the music subsidiary of Philips, added 80 cents to Fl 41.60 on the news that it would spend Fl 200m on expansion and on Monday's announcement of a marketing and distribution agreement with Motown Records.

MADRID eased back after its recent strength. The general index slipped 0.66 to 277.46 in *turnover of about* Pta12bn, down from Pta13bn.

OSLO fell in the absence of any positive news. The all-share index lost 6.47 or 1.3 per cent to 483.62 in turnover of NKr214m. STOCKHOLM eased in thin volume. The Affärsvärlden General index eased 2.20 to 1,067.0 as turnover dropped to SKr184m.

ISTANBUL dropped 1.9 per cent after Monday's 3.3 per cent rise. The 75-share index lost 55.82 to 2,884.21.

ASIA PACIFIC

Hopes of lower interest rates lift Nikkei

Tokyo

LOWER INTEREST rates and expectations that more cuts are on the way boosted share prices yesterday, *writes Neil Weinberg in Tokyo.*

The Nikkei average gained 140.96 *to end* at 23,333.70, recouping Friday's loss. The stock market was closed on Monday. The market barometer reached *a day's high of* 23,462.29 and a low of 23,182.86. Advances led declines by 577 to 425, with 157 issues unchanged.

The Topix index of *all* first section shares gained 9.60 to 1,797.62, although the second section declined 5.73 to 2,786.30. In London, the *ISE/Nikkei* 50 index put on 7.75 to 1,380.12.

First section volume was dull at 320m shares, down from 600m, reflecting a reluctance among Japanese institutions to trade prior to company book closings for the first half of the fiscal year at the end of this month. Likewise, overseas investors were relatively quiet.

"Most of the activity was futures-linked or index-related," said Ms Caroline Stone at Barclays de Zoete Wedd Securities. "Foreigners have pretty much done what they want and are happy to sit back and wait," she added.

The market received support in the morning from comments by Mr Yasushi Mieno, the Bank of Japan governor, that he expects short and long-term bank prime rates to decline further. Mr Mieno's remarks, along with the rise in the yen to a seven-month high, pushed the yield on 10-year government bonds below the key 6.0 per cent mark and encouraged further stock buying. The Nikkei December futures contract also posted a strong gain.

Speculative issues that had gained sharply in recent sessions suffered some heavy losses, including Nippon Carbon, which dropped Y290 to Y1,740, while Honshu Paper fell Y53 to Y807 and Clarion shed Y80 to Y1,220.

Shipbuilders continued to rise on an improving operating climate, with Hitachi Zosen gaining Y17 to Y697 and Mitsui Shipbuilding adding Y15 at Y630. Tokimec, Japan's leading maker of marine instruments, remained strong, advancing Y36 to Y959. Food issues were favoured as a defensive play, with Nisshin Flour Milling climbing Y60 to a year's high of Y1,540.

In Osaka, the OSE average retreated 51.00 to 25,728.56. Volume was low at 83.7m shares.

Roundup

INTEREST RATE movements also affected trading in the Pacific Rim yesterday.

TAIWAN anticipated interest rate cuts by the leading *commercial* banks, announced after the close. The weighted index added 72.74 or 1.5 per cent to end at 4,814.19, following *a gain of* 88.18 *on Saturday*. The market was closed on Monday. Turnover increased to T$24bn from T$22bn.

MANILA accelerated Monday's recovery as debate ebbed over the withdrawal of US troops, and bargain hunters moved in. The composite index climbed 53.84 or 5.9 per cent to 966.59. A reported meeting between a senior Congress figure and a rebel army officer on Monday also provided a boost.

PLDT rose 27.50 pesos to 545, while another blue chip, Philippine National Bank, was up 15 at 375. Turnover fell from 124.5m pesos to 107.5m.

SEOUL lost ground on fears that the government's tight money supply policy would drive up local interest rates. The composite index closed at 683.93, down 5.11, after turnover of Won106.8bn, against Friday's Won155bn. The Korean market was also closed on Monday.

KUALA LUMPUR was supported by institutional buying of Telekom Malaysia. The composite index edged up 0.46 to 521.03 as *Telekom moved* up 15 cents to M$10 with 1.17m shares traded. Market turnover rose to M$57m from M$53m.

BANGKOK's SET index slipped through the 700 level, ending 9.60 lower at 695.24 on thin turnover of Bt1.96bn.

HONG KONG limped through an extremely quiet day to leave the Hang Seng index off 6.15 at 3,904.19, in HK$719m turnover, the lowest since June.

NEW ZEALAND lacked buying interest. Heavy selling of a few leading issues by Wellington houses pulled the NZSE-40 index down 4.88 to 1,373.97. A bullish local dollar and lacklustre performances on offshore markets sapped investor confidence in AUSTRALIA. The All Ordinaries index lost 7.4 at 1,555.5 in turnover of A$149m.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY SEPTEMBER 23 1991								FRIDAY SEPTEMBER 20 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (69)	151.69	+0.6	129.12	127.70	132.06	126.13	−0.1	4.80	150.99	129.58	128.27	132.43	126.21	151.89	112.74	138.05
Austria (20)	182.34	+0.8	155.01	153.30	158.55	158.30	−0.6	1.79	180.84	155.20	153.64	158.61	159.21	222.37	154.82	181.06
Belgium (47)	130.19	+0.4	110.67	109.44	113.20	110.60	−0.6	5.35	129.68	111.29	110.16	113.73	111.29	151.20	118.04	129.19
Canada (114)	135.64	−0.2	115.46	114.20	118.11	111.55	−0.3	3.40	136.13	116.83	115.65	119.39	111.88	142.27	126.49	129.96
Denmark (37)	255.13	+0.4	216.89	214.48	221.84	223.73	−0.8	1.57	254.01	217.89	215.80	222.78	225.50	270.56	217.74	242.86
Finland (16)	91.22	+0.3	77.55	76.70	79.32	77.86	−1.0	3.09	90.98	78.08	77.29	79.79	78.67	125.15	89.53	106.51
France (109)	144.49	+1.1	122.83	121.46	125.62	129.13	+0.3	3.44	142.90	122.64	121.39	125.32	128.78	152.25	119.11	127.16
Germany (65)	110.38	+0.9	93.84	92.81	95.98	95.98	+0.0	2.34	109.44	93.92	92.99	95.98	95.98	125.35	94.15	108.89
Hong Kong (55)	162.37	+0.0	138.03	136.51	141.19	161.63	+0.0	4.39	162.34	139.33	137.92	142.39	161.63	169.96	119.62	116.70
Ireland (18)	162.25	+0.5	137.93	136.41	141.08	143.07	−0.7	3.50	161.37	138.50	137.10	141.54	144.05	182.46	132.88	143.16
Italy (77)	73.04	−0.4	62.09	61.40	63.51	68.25	−1.3	3.40	73.35	62.95	62.31	64.33	69.13	88.23	64.76	82.73
Japan (474)	132.47	+1.1	112.61	111.37	115.20	111.37	+0.0	0.76	131.09	112.50	111.37	114.99	111.37	148.97	118.23	123.66
Malaysia (68)	197.21	−0.1	167.65	165.79	171.47	208.37	−0.3	2.85	197.35	169.37	167.68	173.09	209.06	247.78	189.18	198.58
Mexico (16)	1213.90	+0.4	1031.95	1020.55	1055.52	4055.98	+0.4	1.30	1208.51	1037.18	1026.70	1059.94	4037.95	1226.36	534.45	506.35
Netherland (31)	140.43	+0.1	119.38	118.06	122.11	120.82	−0.7	4.47	140.33	120.43	119.22	123.08	121.69	145.73	125.70	132.36
New Zealand (14)	45.73	−1.6	38.87	38.44	39.76	41.44	−1.9	7.35	46.48	39.89	39.49	40.77	42.22	54.64	41.18	57.78
Norway (31)	198.12	+0.2	168.42	166.56	172.27	175.73	−1.0	1.80	197.64	169.62	167.91	173.35	177.52	223.24	178.58	258.70
Singapore (38)	192.95	+1.3	164.03	162.22	167.77	150.09	+0.9	2.37	190.46	163.46	161.81	167.04	148.77	208.25	151.63	155.57
South Africa (61)	249.41	−0.2	212.03	209.68	216.87	170.63	−0.2	3.24	249.83	214.41	212.24	219.11	170.91	258.85	173.00	164.10
Spain (53)	159.80	+1.4	135.85	134.35	138.95	127.48	+0.4	4.22	157.64	135.29	133.93	138.26	126.95	171.12	131.51	132.46
Sweden (25)	195.98	+1.0	166.61	164.77	170.42	176.54	−0.3	2.53	194.08	166.57	164.89	170.23	178.99	204.12	146.60	175.63
Switzerland (58)	94.54	+0.5	80.37	79.48	82.21	85.51	−0.5	2.25	94.07	80.73	79.92	82.52	85.91	100.67	82.17	88.36
United Kingdom (240)	181.03	+0.2	153.89	152.18	157.40	153.89	−0.7	4.82	180.64	155.03	153.45	158.42	155.03	187.44	158.27	149.45
USA (526)	156.81	−0.5	133.30	131.64	136.35	156.81	−0.5	3.10	157.60	135.25	133.89	138.23	157.60	161.02	125.96	122.75
Europe (827)	142.65	+0.5	121.27	119.93	124.05	123.21	−0.5	3.89	141.98	121.85	120.62	124.53	123.77	151.52	125.50	127.98
Nordic (109)	188.79	+0.6	160.49	158.72	164.16	161.33	−0.6	2.01	187.60	161.00	159.38	164.54	162.31	200.81	155.55	184.23
Pacific Basin (718)	133.46	+1.0	113.46	112.21	116.05	112.86	+0.0	1.11	132.17	113.43	112.29	115.92	112.87	145.92	117.86	123.83
Euro−Pacific (1545)	137.44	+0.8	116.84	115.54	119.50	117.74	−0.2	2.25	136.39	117.06	115.87	119.62	117.97	147.86	121.29	125.84
North America (640)	155.44	−0.5	132.14	130.69	135.18	153.74	−0.5	3.12	156.20	134.05	132.72	137.02	154.49	159.66	125.61	123.10
Europe Ex. UK (587)	119.86	+0.7	101.90	100.79	104.25	105.58	−0.2	3.19	119.06	102.18	101.17	104.45	105.63	129.80	103.58	114.21
Pacific Ex. Japan (244)	143.23	+0.3	121.76	120.44	124.58	125.65	−0.1	4.36	142.82	122.57	121.35	125.28	125.74	147.60	111.40	124.80
World Ex. US (1736)	139.22	+0.7	118.35	117.05	121.06	119.04	−0.2	2.30	138.23	118.63	117.45	121.24	119.27	148.16	122.32	126.58
World Ex. UK (2022)	140.60	+0.3	119.53	118.21	122.27	126.56	−0.3	2.33	140.22	120.34	119.13	122.99	128.88	145.77	120.08	121.80
World Ex. So. Af. (2201)	143.42	+0.3	121.92	120.58	124.72	130.60	−0.3	2.59	143.03	122.75	121.52	125.48	131.00	148.66	122.92	124.02
World Ex. Japan (1788)	151.65	−0.1	128.92	127.51	131.89	141.67	−0.4	3.45	151.80	130.27	128.97	133.16	142.30	152.63	126.69	125.79
The World Index (2262)	144.11	+0.3	122.51	121.16	125.32	130.94	−0.3	2.60	143.73	123.35	122.11	126.07	131.34	149.01	123.28	124.26

Latest prices were unavailable for this edition. Markets closed 23/9/91: Hong Kong and Japan.